PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2000

HONOURABLE JOE HANDLEY

Minister of Finance

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THE HONOURABLE GLENNA F. HANSEN
COMMISSIONER OF THE NORTHWEST TERRITORIES

I have the honour to present the Public Accounts of the Northwest Territories in accordance with Sections 27 through 31 of the Northwest Territories Act (Canada), R.S.C. 1985, c. N-22, and Sections 72 through 74 of the Financial Administration Act, S.N.W.T. 1987(1), c. 16, for the fiscal year ended March 31, 2000.

Joe Handley
Minister of Finance

Financial Management Board Secretariat
Yellowknife, N.W.T.
December 15, 2000

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Public Accounts of the
Government of the Northwest Territories

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SECTION I

CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of the Northwest Territories, and related information contained in the Public Accounts, is the responsibility of management through the Office of the Comptroller General.

The consolidated financial statements have been prepared in accordance with the stated accounting policies set out in Note 2 to the consolidated financial statements and comply in most significant respects with the recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. When alternative accounting methods exist, management has chosen those that are most appropriate. Where required, management's best estimates and judgment have been applied in the preparation of these statements. The Government plans to report tangible capital assets in its March 31, 2001 financial statements to be fully in accord with the recommendations of PSAB.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Comptroller General, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with the *Financial Administration Act*.

The Public Accounts are referred to the Standing Committee on Accountability and Oversight after they have been tabled in the Legislative Assembly. The recommendations of this committee are reviewed and acted on to improve the financial systems and controls.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly the financial position of the Government, results of its operations and its cash flows for the year. During the course of the audit, he also examines transactions that have come to his notice, to ensure they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation.

After completion of the audit, the Auditor General includes additional information, comments and recommendations in his annual report to the Legislative Assembly of the Northwest Territories.

Lew Voytilla, F.C.G.A.
Comptroller General
Government of the Northwest Territories

December 15, 2000

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AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

I have audited the consolidated statement of financial position of the Government of the Northwest Territories as at March 31, 2000 and the consolidated statements of operations and surplus and cash flows for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Government, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with the stated accounting policies of the Government set out in note 2 to the consolidated financial statements. As required by the *Northwest Territories Act*, I report that, in my opinion, these stated accounting policies have been applied on a basis consistent with that of the preceding year.

Under the *Financial Administration Act (FAA)*, departments are not allowed to overspend their appropriations nor can they make a disbursement unless there is a related appropriation. As disclosed in note 20, the Government exceeded its appropriations by $1,024,000 in the Department of Health and Social Services during the year ended March 31, 2000. Furthermore, the Government made payments totalling $16,756,000 (1999 - $10,111,000) during the year ended March 31, 2000 to settle individual equal pay liabilities without a related appropriation. During the years ended March 31, 1998 and 1999, the Government expensed $25 million and $8 million, respectively, as a provision for equal pay settlement. As these expenses exceeded appropriations at the respective year-ends, interim appropriations were created for both these years. The *FAA* requires the Minister of Finance to submit interim appropriations as bills when the related March 31 Public Accounts are tabled. Since the Minister did not submit either of the 1998 or 1999 interim appropriations as bills, in my view both expired. Consequently, equal pay payments of $16,756,000 (1999 - $10,111,000) made during the current year contravened section 31(1) of the FAA, which states that "no person shall make a disbursement from the Consolidated Revenue Fund unless it is in respect of an expenditure incurred pursuant to an appropriation.

Further, in my opinion, proper books of account have been kept by the Government, the consolidated financial statements are in agreement therewith and, except for the overexpenditures as described in the previous paragraph, the transactions of the Government and of those organizations included in the consolidation, as disclosed in note 1, that have come to my notice during my audit of these consolidated financial statements have, in all significant respects, been in accordance with the *Northwest Territories Act*, the Northwest Territories *Financial Administration Act* and regulations and the specific operating authorities disclosed in note 1.

Additional information and comments on the consolidated financial statements and this opinion will be included in my annual report to the Legislative Assembly of the Northwest Territories.

L. Denis Desautels, FCA
Auditor General of Canada

Ottawa, Canada
December 15, 2000

Government of the Northwest Territories

Consolidated Statement of Financial Position

(thousands of dollars)	as at March 31, 2000	as at April 1, 1999 (note 3)
Assets		
Current		
Cash and short-term investments (note 4)	$ 29,598	$ 107,200
Due from (to) Canada (note 5)	28,326	49,147
Accounts receivable (note 6)	47,884	36,551
Due from the Government of Nunavut upon division (note 3)	35,313	39,559
Inventories (note 7)	9,260	10,904
Prepaid expenses	2,731	5,575
Current portion of loans receivable	9,052	5,481
	162,164	254,417
Designated cash and investments (note 8)	22,246	21,057
Loans receivable (note 9)	33,961	34,435
Investment in Northwest Territories Power Corporation (note 10)	73,743	70,653
Capital assets, at nominal value of one dollar	-	-
	$ 292,114	**$ 380,562**

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Financial Position (Continued)

(thousands of dollars)	as at March 31, 2000	as at April 1, 1999 (note 3)
Liabilities		
Current		
Bank overdraft (note 11a)	$ 438	$ 34,864
Short-term loans (note 11b)	79,361	50,964
Accounts payable and accrued liabilities (note 12)	92,903	129,525
Current portion of long-term liabilities	4,387	5,493
	177,089	220,846
Pension liabilities (note 13a)	16,396	15,830
Employee termination benefits (note 14)	18,214	15,772
Long-term debt (note 15)	29,868	29,569
Provision for equal pay settlement (note 18a)	6,133	22,889
	247,700	304,906
Commitments and contingencies (notes 17 and 18)		
Accumulated surplus	44,414	75,656
	$ 292,114	$ 380,562

Approved:

Joe Handley
Minister of Finance

Lew Voytilla
Comptroller General

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Operations and Surplus

for the year ended March 31, (thousands of dollars)	2000	
	Budget (note 1b)	**Actual**
Revenues (Schedule A)		
From Canada	$ 594,281	$ 594,854
Generated revenues	139,348	149,230
	733,629	744,084
Recoveries of prior years' expenditures	3,000	3,268
	736,629	747,352
Expenditures (Schedule B)		
Operations and maintenance	689,693	709,529
Capital	70,672	76,499
	760,365	786,028
Net expenditure before under-noted	(23,736)	(38,676)
Net revenue from investment in Northwest Territories Power Corporation (note 10)	7,000	7,434
Projects on behalf of Canada, Nunavut and others		
Expenditures	(51,483)	(50,146)
Recoveries	51,483	50,146
Net expenditure for the year	**$ (16,736)**	**$ (31,242)**
Accumulated surplus at beginning of the year		$ 75,656
Accumulated surplus at end of the year		**$ 44,414**

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Cash Flows

for the year ended March 31, (thousands of dollars)		**2000**
Cash provided by (used in)		
Operating activities		
Net expenditure for the year	$	(31,242)
Items not affecting cash:		
Provision for bad debts, forgivable loans and mortgage write-down		5,897
Net revenue from investment in Northwest Territories Power Corporation		(7,434)
		(32,779)
Changes in non-cash assets and liabilities		
Due from Canada		20,821
Other current assets		(4,446)
Other current liabilities		(36,622)
Employee leave and termination benefits		2,451
Pension liabilities		566
Payments for equal pay settlements		(16,756)
Net cash used in operating activities		**(66,765)**
Investing activities		
Dividend from Northwest Territories Power Corporation		4,344
Increase in designated cash and investments		(1,189)
Loans receivable		
Advances		(14,121)
Repayments		6,974
Net cash used in investing activities		**(3,992)**
Financing activity		
Repayment of long-term debt		**(816)**
Decrease in cash and cash equivalents		**(71,573)**
Cash and cash equivalents at beginning of the year		21,372
Cash and cash equivalents at end of the year*	**$**	**(50,201)**

* Cash and cash equivalents include cash and short-term investments less bank overdraft and short-term loans.

The accompanying notes and schedules are an integral part of the consolidated financial statements.

1. AUTHORITY AND OPERATIONS

(a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act (Canada)*. The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The consolidated financial statements have been prepared in accordance with the *Northwest Territories Act* (Canada) and the *Financial Administration Act* of the Northwest Territories.

The following chart lists the organizations comprising the consolidated Government reporting entity, how they are accounted for in the consolidated financial statements and their specific operating authority.

Fully Consolidated:	
Aurora College	*Public Colleges Act*
Northwest Territories Housing Corporation	*Northwest Territories Housing Corporation Act*
Northwest Territories Development Corporation	*Northwest Territories Development Corporation Act*
Northwest Territories Business Credit Corporation	*Northwest Territories Business Credit Corporation Act*
Modified Equity:	
Northwest Territories Power Corporation	*Northwest Territories Power Corporation Act*

These organizations have a March 31 fiscal year end except for the college which has a fiscal year end of June 30. Revolving funds are incorporated directly into the Government's accounts while trusts administered by the Government on behalf of other parties (note 16) are excluded from the consolidated Government reporting entity.

(b) Budget

The budget figures are the appropriations approved by the Legislative Assembly, and the approved budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenditures. They represent the Government's original fiscal plan for the year and do not reflect supplementary appropriations. The budget figures shown have not been audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Government and organizations accountable to, and owned or controlled by the Government. The entities that exist to deliver the executive functions of the Government are fully consolidated in these financial statements. The Northwest Territories Power Corporation (NTPC) is deemed to be a government business enterprise and is accounted for using the modified equity method. Under this method the Government only reports its investment in and the net revenue of the NTPC. In addition any amounts receivable or payable from that entity are reported.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following related Government boards and agencies are reflected in these statements only to the extent of the Government's contributions to them:

Divisional Education Councils and District Education Authorities
Hospitals and Regional Health Boards
Local Housing Associations and Authorities
Legislative Assembly Retiring Allowances Fund
Territorial Court Judges' Registered Pension Plan

(b) Measurement uncertainty

The preparation of financial statements in accordance with stated accounting policies requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenditures reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to provision for equal pay settlements, employee termination benefits, contingencies, revenue accruals and Students Loan Fund allowances for both forgivable and bad loans. Other estimates such as Canada Health and Social Transfer payments, Corporate and Personal Income Tax revenue are based on estimates made by the Federal Department of Finance and are subject to adjustments in future years. Another significant estimate is the Grant from Canada, which incorporates estimates supplied by Statistics Canada and the Federal Department of Finance. Many of the statistical estimates are not finalized until three to seven years later.

(c) Short-term investments/designated cash and investments

Investments are valued at the lower of cost or market value. Interest income is recorded on the accrual basis, dividend income is recognized as it is received and capital gains and losses are recognized as incurred.

Investments in securities denominated in foreign currencies are translated into Canadian dollars at the prevailing exchange rate at year end. Foreign currency transactions during the year are translated into Canadian dollars at the prevailing rate at the transaction date.

(d) Inventories

Inventories for resale consist of bulk fuel, liquor products, lumber, arts, crafts and granular products. Bulk fuels and granular products are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at replacement value. Other inventories are valued at the lower of cost determined, on a first in, first out basis, and net realizable value.

(e) Loans receivable

Loans receivable are stated at the lower of cost and net recoverable value.

Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recognized when earned. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investment in Northwest Territories Power Corporation

The Northwest Territories Power Corporation (NTPC) is accountable to the government, sells goods and services to the public, can contract in its own name, and can maintain itself without government support. Consequently, it is consolidated in these financial statements using the modified equity method. Under this method the Government only reports its investment in and the net revenue of the NTPC. In addition, any amounts receivable or payable from the NTPC are disclosed.

(g) Capital assets and leases

Capital assets are charged to expenditures at the time of acquisition or construction and reported on the consolidated statement of financial position at a nominal value of one dollar.

Lease payments under capital and operating leases are charged to operations and maintenance expenditures. No assets or long-term liabilities are recognized for capital leases.

(h) Employee leave, termination and pension benefits

Under the terms and conditions of employment, Government employees may qualify and earn benefits for annual leave, retirement, severance and removal costs upon termination of employment. The estimated liability for these benefits is recorded as the benefits are earned by employees. Severance liabilities are also recorded when employees are identified for lay-off.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlements and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

(i) Commitments and contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenditures. Contractual commitments pertain to block funding agreements with municipalities, operating, commercial and residential leases, capital projects, and operational funding commitments.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur or fail to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Grant from Canada

The grant is subject to the terms of a Formula Financing Agreement with Canada. The grant entitlement is dependent on a number of variables, including population growth, the growth of provincial-local government spending, tax revenues and other federal transfers.

The initial payments of the grant are based on estimates of these variables, supplied by Statistics Canada, the Federal Department of Finance and the Government. Adjustments are made as final data becomes available which can take between three to seven years. These adjustments can be significant. Population figures are initially based on Statistics Canada's post-censal estimates, which are adjusted to census data every five years. Adjustments arising from changes in the variables are recorded in the year revised or final data becomes known.

(k) Projects on behalf of Canada, Nunavut and others

The Government undertakes projects on behalf of Canada, Nunavut and others for which it receives accountable advances. Revenues are recognized as expenditures are incurred. Unexpended balances are recorded as current liabilities, and recoveries are accrued for expenditures in excess of advances.

(l) Taxes

Taxes, under the *Income Tax Act*, are collected by Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Federal Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Income tax revenue is recognized on an accrual basis.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act* respectively. Payroll taxes are received on a regular basis, based on employer's self-assessments. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Property tax and school levies are assessed on a calendar year basis and are recognized on an accrual basis in the fiscal year in which the calendar year ends.

(m) Other revenues/deferred revenue

Licenses, fees and permits are recorded on a cash basis. All other revenues are recorded on an accrual basis.

Funding received for specific purposes is deferred until the related expenditures are incurred.

(n) Operations, maintenance and capital expenditures

Operations, maintenance and capital expenditures are recorded on an accrual basis. Government grants and contributions are recorded as expenditures when paid or when the recipient has fulfilled the terms of a contractual agreement.

(o) Recoveries of prior years' expenditures

Recoveries of prior years' expenditures and reversal of prior years' accruals are reported separately from other revenues on the consolidated statement of operations. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

3. CHANGE IN OPERATIONS

On April 1, 1999, the *Nunavut Act* came into effect. The *Nunavut Act* consequently amended the *Northwest Territories Act* to redefine the Northwest Territories to exclude the geographic Nunavut Territory as of April 1, 1999. All government operations within the Nunavut Territory were transferred to the Government of Nunavut on this date. The consequential allocation of assets, liabilities and surplus to the two territorial Governments effective April 1, 1999, as approved by the respective representatives, is as follows:

Statement of Financial Position

		April 1, 1999 Government in	
(thousands of dollars)	March 31, 1999	Nunavut	Northwest Territories
Assets			
Cash and short-term investments	$ 121,906	$ 14,706	$ 107,200
Due from (to) Canada	55,935	6,788	49,147
Accounts receivable	55,229	18,678	36,551
Inventories	38,971	28,067	10,904
Prepaid expenses	5,785	210	5,575
Designated cash and investments	21,586	529	21,057
Loans receivable	60,243	20,327	39,916
Investment in Northwest Territories Power Corporation (note 10)	106,118	35,465	70,653
Capital assets, at nominal value of one dollar	-	-	-
	$ 465,773	**$ 124,770**	**$ 341,003**
Liabilities			
Bank overdraft and short-term loans	$ 86,340	$ 512	$ 85,828
Accounts payable and accrued liabilities	142,588	13,063	129,525
Due to Government of the Northwest Territories/ (Due from the Government of Nunavut)	-	**39,559**	**(39,559)**
Pension liabilities	15,830	-	15,830
Employee termination benefits	22,902	3,213	19,689
Long-term debt	89,025	57,880	31,145
Provision for equal pay settlement	22,889	-	22,889
	379,574	114,227	265,347
Accumulated surplus	86,199	10,543	75,656
	465,773	**124,770**	**341,003**

The April 1 opening balances allocated to the Government of the Northwest Territories, as detailed above, are presented in the Consolidated Statement of Financial Position for comparative purposes.

The comparison of the current year results, after division, to the prior year results, before division, is not considered meaningful because of changes in various factors including fundamental differences between the Nunavut government and the Northwest Territories government in their: operations; business economies; and income generating opportunities. Additionally, it was not practical to segregate results before division between territorial operations. Consequently, the statements of operations and surplus and cash flows for the year ended March 31, 2000 are presented without any comparative figures.

4. CASH AND SHORT-TERM INVESTMENTS

Cash and short-term investments represent a diversified portfolio of high grade, short-term income producing assets. The portfolio yield for the year ended March 31, 2000 varied from 4.36% to 5.50%. The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service or A-3 or better from the Canadian Bond Rating Service. Investments are diversified by limiting them, depending on the type of investment, to a maximum of 5% to 50% of the total portfolio. There is no significant concentration in any one investment. The average term to maturity, as at March 31, 2000, is 87 days.

5. DUE FROM (TO) CANADA

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Grant receivable		
Grant per financing agreement - Schedule A	$ 519,155	$ 911,578
Less payments received	(545,002)	(996,311)
	(25,847)	(84,733)
Balance receivable at beginning of year	31,684	116,417
	5,837	31,684
Other receivables		
Indian and Inuit hospital and medical care	26,536	8,388
Canada Mortgage and Housing Corporation	721	1,328
Cost sharing agreements and Projects on behalf of Canada	3,196	11,893
Miscellaneous receivables	12,585	20,044
	48,875	73,337
Payables to Canada		
Excess Income Tax advanced	(7,003)	(12,336)
Unapplied balance of advances under agreements	(1,806)	(854)
Miscellaneous payables	(6,740)	(11,000)
Deferred Canada Health and Social Transfer funding	(5,000)	-
	(20,549)	(24,190)
	$ 28,326	**$ 49,147**

The amounts due from Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to maturity.

6. ACCOUNTS RECEIVABLE

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
General accounts receivable	$ 17,706	$ 20,824
Government of Nunavut	21,928	-
Revolving fund sales receivables	6,049	3,606
Accrued interest	1,523	1,006
	47,206	25,436
Less: Allowance for doubtful accounts	5,405	3,618
	41,801	21,818
Receivables from related parties		
District Education Authorities and Divisional Education Councils	4,310	3,172
Hospitals and Regional Health Boards	704	1,814
Local Housing Associations and Authorities	1,026	1,201
Northwest Territories Power Corporation	10	8,533
Workers' Compensation Board (Northwest Territories and Nunavut)	33	13
	6,083	14,733
	$ 47,884	**$ 36,551**

7. INVENTORIES

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Bulk fuels	$ 4,346	$ 4,594
Granular products	505	959
Lumber, arts and crafts	1,291	2,272
Liquor products	2,963	2,916
Others	155	163
	$ 9,260	**$ 10,904**

8. DESIGNATED CASH AND INVESTMENTS

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Investment portfolio		
Marketable securities (market value $19,740,000; 1999, $20,058,000)	$ 17,398	$ 16,626
Cash and other assets (market value approximates cost)	558	382
	17,956	17,008
Students Loan Fund		
Authorized limit	22,000	22,000
Less: Loans receivable	19,979	20,699
Cash available for new loans	2,021	1,301
Northwest Territories Development Corporation		
Preferred share investment	2,934	3,930
Reserve Funds	704	644
Sinking Fund Investment	378	54
	4,016	4,628
Less: Allowance for loss	1,747	1,880
	2,269	2,748
	$ 22,246	$ 21,057

The cash and marketable securities held in the investment portfolio, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplementary Retiring Allowance and cannot be used to discharge obligations incurred by the Government. The assets in the investment portfolio are managed by CIBC Mellon Global Securities Company. Supplementary Retiring Allowance Regulations restrict the investments CIBC Mellon Global Securities Company can make to those investments listed in the *Pension Benefits Standards Act.*

The proportionate asset mix in the investment portfolio as at March 31 is as follows :

	March 31, 2000 %	April 1, 1999 %
Canadian Stocks	28.96	27.31
Cash and other assets	3.12	3.20
Corporate Bonds	7.47	12.11
Federal Bonds	15.31	23.01
Foreign Stocks	2.53	1.03
Provincial Bonds	34.08	33.34
Strip Bonds	8.53	-
	100.00	100.00

The average market yields on the federal, provincial, and corporate bonds are 3.44%, 0.67% and 6.46% respectively, with maturity dates ranging from April 2000 to December 2015. The gain on investments sold was $1,667,000.

9. LOANS RECEIVABLE

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Northwest Territories Business Credit Corporation loans to businesses receivable over a maximum of 25 years, bearing fixed interest between 4.9% and 6.2%, net of allowance for doubtful accounts of $4,796,000 (1999 - $4,440,000)	$ 26,318	$ 22,408
Northwest Territories Housing Corporation mortgage and interim financing loans to individuals receivable over a maximum of 25 years, bearing fixed interest between 0% and 14.25%, net of allowance for doubtful accounts of $18,234,000 (1999 - $15,231,000)	2,788	2,962
Students Loan Fund loans due in installments to 2011, bearing interest between 3.75% and 12.5%, net of allowance for doubtful accounts and loan remissions of $11,750,000 (1999 - $10,052,000)	8,229	7,858
Loans to municipalities due in installments to 2026, bearing interest between 6.50% and 11.27%	5,490	6,460
Other	188	228
	43,013	39,916
Less: Current portion	9,052	5,481
	$ 33,961	**$ 34,435**

Interest earned on loans receivable during the year was $4,390,000

10. INVESTMENT IN NORTHWEST TERRITORIES POWER CORPORATION

The governments of the Northwest Territories and Nunavut have entered into a transition agreement that governs the operation of the Northwest Territories Power Corporation (NTPC) and the split of any dividends declared through to March 31, 2001.

The transition agreement also details the process to be followed to divide the assets and liabilities of the NTPC at April 1, 2001, as if the corporation had been divided on April 1, 1999. The method by which the assets and liabilities will be divided is consistent with the methodology used to divide the governments, except that the equity, after the removal of capital and related debt, will be apportioned using the east/west ratio of the NTPC revenue requirement as at March 31, 1999. An inter-governmental committee including representatives of the NTPC has been formed that will work towards finalizing the revenue requirement ratio and the ultimate division of the NTPC.

The Government's investment in the NTPC is recorded at an estimate of the Government's share of the net assets after removing net assets to be transferred to the future Nunavut Power Corporation on April 1, 2001. Any adjustments to the amount of net assets will be recorded at the time of the actual transfer.

The following is summarized financial information for NTPC and the estimate of the Government's share of the Corporation as at March 31, 2000:

(thousands of dollars)

	NTPC March 31, 2000	Government's Share March 31, 2000	Government's Share April 1, 1999
Investment in Northwest Territories Power Corporation			
Shareholders' Equity, including share capital of $43,129	$ 110,555	$ 73,743	$ 70,653
Shareholders' Equity is represented by:			
Assets	345,627	230,533	217,895
Liabilities	(235,072)	(156,790)	(147,242)
	$ 110,555	$ 73,743	$ 70,653

Statement of Operations and Surplus

For the year ended March 31, 2000	**NTPC Results of operations**	**Government's share of operations**
Revenue	$ 103,528	$ 72,086
Expenditures	(92,852)	(64,652)
Net revenue	10,676	7,434
Surplus at beginning of the year	62,989	41,938
Dividend	(6,239)	(4,344)
Surplus at end of the year	$ 67,426	$ 45,028

Included in the above revenues and expenses are revenues from and expenditures to entities in the Government's reporting entity of $22,547,000 and $10,278,000 respectively.

11. BANK OVERDRAFT AND SHORT-TERM LOANS

(a) Bank overdraft

The bank overdraft is a line of credit provided to the Government by the Chartered Banks. There are no fixed repayment terms and the overdraft limits are negotiated over the year based on the forecasted cash flows and borrowing requirements of the Government. The overdraft interest rate is at prime less 1/4% and collateral is the Consolidated Revenue Fund of the Government. Interest is charged only on the net overdraft balance of the Government and its pool participants.

(b) Short-term loans

Short-term loans of $79,361,000 (April 1, 1999: $50,964,000) bear interest at varying rates between 5.04 % to 5.89%. The short-term loans were repaid as of April 1, 2000. The borrowing limit under the *Borrowing Authorization Act* was unchanged at $175,000,000 as of March 31, 2000.

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Accounts payable	$ 47,697	$ 63,153
Government of Nunavut	12,679	-
Other liabilities, payroll liabilities and contractors' holdbacks	14,601	27,193
Employee leave benefits	8,672	10,659
Accrued interest	509	1,543
Deferred revenue	1,850	1,425
	86,008	103,973
Payables to related parties		
Divisional Education Councils and District Education Authorities	699	3,853
Hospitals and Regional Health Boards	3,565	15,549
Local Housing Associations and Authorities	715	2,568
Northwest Territories Power Corporation	516	2,986
Workers' Compensation Board (Northwest Territories and Nunavut)	1,400	596
	6,895	25,552
	$ 92,903	$ 129,525

13. PENSIONS

(a) Pension liabilities

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Legislative Assembly Supplementary Retiring Allowance	$ 15,537	$ 15,083
Judges' Supplemental Pension Plan	859	747
	$ 16,396	**$ 15,830**

The Government also maintains the Legislative Assembly Retiring Allowances Fund and the Territorial Court Judges' Registered Pension Plan. These two pension plans are fully funded, consequently the Government has no liabilities as at March 31, 2000 (1999 - nil). The funds related to these plans are administered by independent trust companies.

The Legislative Assembly Retiring Allowances Fund and the Judges' Registered Pension Plan are contributory defined benefit pension plans. The Legislative Assembly Supplementary Retiring Allowance and the Judges' Supplemental Pension Plan are non-contributory defined benefit pension plans. Benefits provided under the plans are based on service and/or earnings. The Government is liable for all benefits.

Actuarial valuations were completed for the Legislative Assembly and Judges' plans as of March 31, 2000 and January 1, 1998 respectively, using the projected benefit method prorated on service. The valuation is based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts. The actuarial valuations were extrapolated to March 31, 2000 if they were not valued at the balance sheet date.

(b) Pension Expense

Pension expense for the Legislative Assembly Supplementary Retiring Allowance and Judges' Supplemental Pension Plan for the year totalled $1,429,000.

(c) Public Service Superannuation Plan

The Government and its employees make contributions to the Public Service Superannuation Plan administered by Canada. The employer's contribution of $7,400,000 represents the total obligation of the Government. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

14. EMPLOYEE TERMINATION BENEFITS

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Termination	$ 14,091	$ 11,759
Removal	5,775	5,839
Retirement	2,274	2,091
	22,140	19,689
Less: Current portion	3,926	3,917
	$ 18,214	**$ 15,772**

15. LONG-TERM DEBT

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Northwest Territories Housing Corporation loans due to Canada Mortgage and Housing Corporation, repayable in annual installments of $2,497,000 to the year 2033, bearing interest at a rate of 6.97% (1999 : 6.97%)	28,709	29,139
Aurora Fund loan maturing 2004, bearing interest at 7%	1,620	1,620
Other	-	386
	30,329	31,145
Less: Current portion	461	1,576
	$ 29,868	**$ 29,569**

Principal and interest amounts due in each fiscal year for the next five years:

	Principal	Interest	Total
		(thousands of dollars)	
2001	$ 461	$ 2,036	$ 2,497
2002	494	2,003	2,497
2003	529	1,968	2,497
2004	2,186	1,931	4,117
2005	606	1,891	2,497

The interest paid on long-term debt during the year was $2,179,000.

16. TRUST ASSETS AND LIABILITIES

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Workers' Compensation Board (Northwest Territories and Nunavut)	$ 254,456	$ 241,937
Public Trustee	2,714	4,609
Natural Resources - Capital	334	332
Supreme Court	273	325
Other	164	258
Territorial Court	164	196
Correctional institutions	112	134
	$ 258,217	**$ 247,791**

The Workers' Compensation Board (Northwest Territories and Nunavut) has a fiscal year end of December 31. Its most recent financial statements and those of the Public Trustee are reproduced in Section III of the Public Accounts of the Government.

17. COMMITMENTS

The Government has entered into agreements for, or is contractually committed to, the following expenditures payable subsequent to March 31, 2000:

	Expiry Date	2001	2002-2025	Total
		(thousands of dollars)		
Commercial and Residential Leases	2025	$ 16,949	$ 90,656	$ 107,605
Canada Mortgage and Housing Corporation	2038	2,508	69,259	71,767
Operational Commitments	2005	31,934	34,390	66,324
RCMP Policing Agreement	2001	18,374	18,374	36,748
Capital Commitments - Projects in Progress at March 31, 2000	2003	22,511	2,298	24,809
Equipment Leases	2006	1,192	1,342	2,534
Block Funding Agreements with Municipalities	2003	676	1,351	2,027
Western Harvesters' Assistance Program	2003	729	487	1,216
		$ 94,873	$ 218,157	$ 313,030

In accordance with a Declaration of Trust Agreement, the Canada Mortgage and Housing Corporation (CMHC) transferred its ownership interest in territorial rental and loan portfolios to the Northwest Territories Housing Corporation (the Corporation), as Trustee. The Corporation assumed full responsibility and liability for the social housing programs related to the portfolios and receives annual funding from CMHC to manage these programs. The Agreement and funding expire in 2038.

A portion of this funding is used to make payments on portfolio-related CMHC mortgages of $71,767,000 maturing between 2003 and 2038, at interest rates ranging from 4.5% to 21.5%. As the related mortgages mature, the Corporation obtains clear title to CMHC's share of the book value of the respective assets. Until clear title is obtained, CMHC is entitled to its respective share of any gains on the disposal of any portfolio assets.

17. COMMITMENTS (continued)

The portfolio assets and mortgages, held in trust, are recorded only as a commitment in these financial statements. Additionally, since CMHC retains the annual mortgage-related funding to make the mortgage payments, neither the funding nor the mortgage payments are recorded by the Government.

The Government has entered into fuel delivery contracts for 18 communities. All contracts expire by 2006. Under these contracts, fixed commission rates are paid. The value of this commitment cannot reasonably be determined.

The Government has entered into 61 cost recovery service agreements with the Government of Nunavut for the provision of various corporate and program delivery services. The expenditures on and costs recovered from these projects on behalf of Nunavut are estimated at $15,236,000 for the fiscal year 2000-2001.

18. CONTINGENCIES

(a) Equal pay complaint

In March 1989, the Public Service Alliance of Canada filed an equal pay complaint against the Government under the *Canadian Human Rights Act.*

Notwithstanding that the complaint is still before a Canadian Human Rights Tribunal, the Government made offers of settlement to individuals and accrued a $33 million provision as its best estimate of the amount needed to settle the equal pay complaint. As of March 31, 2000 the Government has paid out $27 million of the amount accrued. The amounts paid are based on legally binding agreements with individual employees and former employees in final settlement of their equal pay claim. The balance of the provision, $6,133,000, will continue to be paid as eligible recipients are located and accept the Government's offer.

For those employees who have received but not accepted the Government's offer, the offers remain open and the complaint remains outstanding. As such there exists a possibility that equal pay costs could exceed or be lower than the amount accrued for these employees. In the event there is an additional or lesser liability, the change will be shared 44.34% with the Government of Nunavut and the balance charged to or recovered from operations in the year when it is determined.

(b) Environmental restoration costs

As circumstances and funding have permitted, the Government has been addressing the problem of environmental liabilities. In a number of departments, this process has consisted of identifying sites of potential liability and remediating the sites as necessary.

The Government has identified 262 sites in, or in close proximity to communities, where environmental liabilities may exist. Of these, 84 sites have either been assessed or are owned by the private sector. To date 49 of the 84 sites have been remediated. Other assessed sites either have remediation plans in place or, are undergoing further study.

In addition there are 140 fuel caches managed by the Department of Resources, Wildlife and Economic Development that are located a distance from communities. Many of these caches, because of their remoteness and the small number of drums involved (with the potential for only limited local contamination), have not yet been formally inspected. Of these sites, 24 have been, or shortly will be, inspected. The Government has plans in place to remove the drums and restore the site to its original condition for 14 of the sites.

The Government will continue with its program of site inspection, assessment and remediation on an ongoing basis. In those cases where the cost of remediating sites is quantifiable, an estimated liability is accrued. As at March 31, 2000 no costs have yet been quantified so no liability has been accrued.

18. CONTINGENCIES (continued)

(c) Guarantees

The Government has guaranteed an operating credit line to Sirrius Diamonds Ltd. of $7,000,000. In addition, the Government has guaranteed residential housing loans totalling $3,082,000.

The Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's share is limited to the percentage of the Northwest Territories' population to the Canadian population.

(d) Litigation

A $42 million claim related to the construction of the hydro system on the Taltson River has been filed against the Government of the Northwest Territories, the Northwest Territories Power Corporation and Canada. An estimate of the loss arising from this action, if any, cannot be determined at this time.

19. RELATED PARTIES

Transactions with related parties and balances at year end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year the Government made contributions and grants to the following related parties:

	2000 (thousands of dollars)
Hospitals and Regional Health Boards	$ 110,932
Divisional Education Councils and District Education Authorities	80,859
Local Housing Associations and Authorities	30,831
	$ 222,622

The Government funds communities, boards, agencies and other organizations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of these boards and agencies. An estimate of the potential liability, if any, cannot be determined.

Under agreements with related boards and agencies, the Government provides services either at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided included personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services. Direct costs of $52,937,000 were incurred and recovered from related parties.

20. OVEREXPENDITURES

The Department of Health and Social Services exceeded the amounts appropriated to it for operations and maintenance activities by $1,024,000. This contravenes the *Financial Administration Act, (FAA)* section 32, which states..."No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

Government of the Northwest Territories Schedule A

Consolidated Schedule of Revenues by Source

for the year ended March 31, 2000 (thousands of dollars)	Budget (note 1b)	Actual
From Canada		
Grant per financing agreement (note 5)	$ 522,015	$ 519,155
Transfer payments	72,266	75,699
	594,281	594,854
Generated revenues		
Taxes	93,277	93,731
General	15,915	20,176
Sales:		
Liquor Commission (net of cost of goods sold of $10,625)	17,022	19,099
Petroleum Products (net of cost of goods sold of $7,593)	3,529	2,821
Capital recoveries	3,387	4,346
Other recoveries	6,218	9,057
	139,348	149,230
Total	**$ 733,629**	**$ 744,084**

Consolidated Schedule of Expenditures

for the year ended March 31, 2000 (thousands of dollars)	**Budget** (note 1b)	**Actual**
Operations and maintenance		
Grants and contributions	$ 285,939	$ 288,058
Operations and maintenance	256,982	248,785
Compensation and benefits	146,772	166,789
Valuation allowances	-	5,897
	689,693	709,529
Capital		
Capital acquisitions	56,811	63,472
Grants and contributions	13,861	13,027
	70,672	76,499
Total	**$ 760,365**	**$ 786,028**

SECTION II

NON-CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

Government of the Northwest Territories

Non-Consolidated Statement of Financial Position (unaudited)

(thousands of dollars)	as at March 31, 2000	as at April 1, 1999 (Note 3)
Assets		
Current		
Cash (note 4)	$ 2,956	$ -
Short-term investments (note 5)	2,510	88,443
Due from (to) Canada (note 6)	27,605	48,158
Accounts receivable (note 7)	50,485	45,040
Due from the Government of Nunavut upon division (note 3)	35,313	35,313
Inventories (note 8)	7,969	8,767
Prepaid expenses	2,677	5,493
Current portion of loans receivable	1,698	1,673
	131,213	232,887
Designated cash and investments (note 9)	19,977	18,309
Loans receivable (note 10)	40,176	36,564
Investment in Northwest Territories Power Corporation, at nominal value of one dollar	-	-
Capital assets, at nominal value of one dollar	-	-
	$ 191,366	**$ 287,760**

The accompanying notes and Schedules A, B and C are an integral part of the non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Financial Position (unaudited) (continued)

(thousands of dollars)	as at March 31, 2000	as at April 1, 1999 (Note 3)
Liabilities		
Current		
Bank overdraft (note 4)	$ -	$ 32,973
Short-term loans (note 11)	79,361	50,964
Accounts payable and accrued liabilities (note 12)	87,471	125,876
Current portion of long-term liabilities	3,209	3,917
	170,041	213,730
Pension liabilities (note 13a)	16,396	15,830
Employee termination benefits (note 14)	16,012	14,053
Provision for equal pay settlement (note 18b)	6,133	22,889
	208,582	266,502
Commitments and contingencies (notes 17 and 18)		
Accumulated (deficit) surplus	(17,216)	21,258
	$ 191,366	**$ 287,760**
Accumulated (deficit) surplus represented by:		
Petroleum Products Stabilization Fund (deficit) (note 15)	$ (4,139)	$ (2,783)
Accumulated operating (deficit) surplus	(13,077)	24,041
	$ (17,216)	**$ 21,258**

The accompanying notes and Schedules A, B and C are an integral part of the non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Operations and Surplus (unaudited)

for the year ended March 31, (thousands of dollars)	**2000** **Main Estimate** (Note 1b)	**Actual** (Note 3)
Revenues (Schedule A)		
From Canada	$ 571,507	$ 572,101
Generated revenues	133,810	136,768
	705,317	708,869
Recoveries of prior years' expenditures (note 2p)	3,000	3,268
	708,317	712,137
Expenditures		
Operations and maintenance (Schedule B)	640,636	653,036
Capital (Schedule C)	86,262	96,219
Estimated supplementary requirements (note 1c)	37,000	-
Estimated appropriation authority lapse (note 1c)	(18,000)	-
	745,898	749,255
Net expenditure before undernoted	(37,581)	(37,118)
Projects for Canada, Nunavut and others		
Expenditures	(51,483)	(50,146)
Recoveries	51,483	50,146
Net expenditure for the year	$ (37,581)	**(37,118)**
Accumulated surplus at beginning of year		24,041
Accumulated deficit at end of year		**$ (13,077)**

The accompanying notes and Schedules A, B and C are an integral part of the non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Cash Flows (unaudited)

for the year ended March 31, (thousands of dollars)		**2000**
Cash provided by (used in)		
Operating activities		
Net Expenditure	$	(37,118)
Items not affecting cash:		
Provision for doubtful receivables, loans, and loan remissions		799
		(36,319)
Changes in non-cash assets and liabilities		
Due from (to) Canada		20,553
Other current assets		(2,630)
Other current liabilities		(38,405)
Employee leave and termination benefits		1,251
Petroleum Products Stabilization Fund		(1,356)
Pension liabilities		566
Payments for equal pay settlement		(16,756)
Net cash used in operating activities		**(73,096)**
Investing activities		
Increase in designated cash and investments		(1,668)
Increase in loans receivable		(3,637)
Net cash used in investing activities		**(5,305)**
Decrease in cash and cash equivalents		**(78,401)**
Cash and cash equivalents at beginning of year		4,506
Cash and cash equivalents at end of year*	**$**	**(73,895)**

* Cash and cash equivalents are represented by cash and short-term investments less bank overdraft and short-term loans.

The accompanying notes and Schedules A, B and C are an integral part of the non-consolidated financial statements.

1. AUTHORITY AND OPERATIONS

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (*Canada*). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The Main Estimates are those tabled before the Legislative Assembly. They represent the Government's original fiscal plan for the year and do not reflect Supplementary Appropriations.

The estimated supplementary requirements and the estimated appropriation authority lapse are included in the Main Estimates on the statement of operations and surplus. They are included for the purpose of comparing the actual net revenue (expenditure) to the estimated net revenue (expenditure).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial statements

The Government complies with the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants wherever applicable, and in particular with respect to the preparation of consolidated financial statements. However, these financial statements have been prepared on a non-consolidated basis to show the operating results of the Government separate from the entities included in the consolidated financial statements.

The Government has also prepared consolidated financial statements. They are presented in Section I of the Public Accounts and provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements.

(b) Reporting entity

These financial statements include the assets, liabilities and operating results of the Government and its revolving funds. Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following related Government Crown Corporations and agencies are included in these statements only to the extent of the Government's contributions to them:

Aurora College
Divisional Educational Councils and District Education Authorities
Hospitals and Regional Health Boards
Legislative Assembly Retiring Allowances Fund
Territorial Court Judges' Registered Pension Plan
Northwest Territories Business Credit Corporation
Northwest Territories Development Corporation
Northwest Territories Housing Corporation

Detailed financial information, on revolving funds and Crown Corporations, is included in Section III of the Public Accounts.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Measurement uncertainty

The preparation of financial statements in accordance with stated accounting policies requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenditures reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to equal pay settlements, employee termination benefits, contingencies, revenue accruals and Students Loan Fund allowances for both forgivable and bad loans. Past experience is not always the best indicator of current experience. Other estimates, such as Canada Health and Social Transfer payments, Corporate and Personal Income Tax revenue are based on estimates made by the Federal Department of Finance and are subject to adjustments in future years. Another significant estimate is the Grant from Canada, which incorporates estimates supplied by Statistics Canada and the Federal Department of Finance. Many of the statistical estimates are not finalized until three to seven years later.

(d) Short-term investments/designated cash and investments

Investments are valued at the lower of cost or market value. Interest income is recorded on the accrual basis and dividend income is recognized as it is received and capital gains and losses are recognized as incurred.

Investment in securities denominated in foreign currencies are translated into Canadian dollars at the prevailing exchange rate at year end. Foreign currency transactions during the year are translated into Canadian dollars at the exchange rate at the transaction date.

(e) Inventories

Inventories for resale consist of bulk fuel, liquor products and granular products. Bulk fuels and granular products are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at replacement cost. Other inventories are valued at the lower of cost determined, on a first in, first out basis, and net replacement value.

(f) Loans receivable

Loans receivable and advances are stated at the lower of cost and net recoverable value.

Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recognized when earned. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

(g) Investment in the Northwest Territories Power Corporation

The Government is a shareholder of the Northwest Territories Power Corporation, a Territorial Crown Corporation providing utility services to the Northwest Territories and Nunavut. The investment has been recorded at a nominal value.

(h) Capital assets and leases

Capital assets are charged to expenditures at the time of acquisition or construction and are reported in the statement of financial position at a nominal value of one dollar.

Lease payments under capital and operating leases are charged to operating and maintenance expenditures. No assets or long-term liabilities are recognized for capital leases.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Employee leave and termination benefits

Under the terms and conditions of employment, government employees may qualify and earn benefits for annual leave, retirement, severance and removal costs upon termination of employment. The estimated liability for these benefits is recorded as the benefits are earned by employees. Severance liabilities are also recorded when employees are identified for lay-off.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimate. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

(j) Commitments and contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenditures. Contractual commitments pertain to block funding agreements with municipalities, operating, commercial and residential leases, capital projects, and operational funding commitments.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed. Contingent liabilities result from potential environment contingencies or pending litigation and like items.

(k) Grant from Canada

The Grant from Canada is subject to the terms of the Formula Financing Agreement with Canada. The Grant entitlement is dependent on a number of variables, including population growth, the growth of provincial-local government spending, tax revenues and other federal transfers.

The initial payments of the Grant are based on estimates of these variables, supplied by Statistics Canada, the Federal Department of Finance and the Government. Adjustments are made as final data becomes available which can take between three to seven years. These adjustments can be significant. Population figures are initially based on Statistics Canada's post-censal estimates, which are adjusted to census data every five years. Adjustments arising from changes in the variables are recorded in the year revised or final data becomes known.

(l) Projects on behalf of Canada, Nunavut and others

The Government undertakes projects on behalf Canada, Nunavut and others for which it receives accountable advances. Unexpended balances are recorded as current liabilities, and recoveries are accrued for expenditures in excess of advances.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Taxes

Taxes, under the *Income Tax Act*, are collected by Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Federal Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Income tax revenue is recognized on an accrual basis.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act* respectively. Payroll taxes are received on a regular basis based on employer's self-assessments. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Property tax and school levies are assessed on a calendar year basis and are recognized on an accrual basis in the fiscal year in which the calendar year ends.

(n) Other revenues/deferred revenue

Licenses, fees and permits are recorded on a cash basis. All other revenues are recorded on an accrual basis.

Funding received for specified purposes is deferred until the related expenditures are incurred.

(o) Operations, maintenance and capital expenditures

Operations, maintenance and capital expenditures are recorded on an accrual basis. Government grants and contributions are recorded on an accrual basis as expenditures when paid or when the recipient has fulfilled the terms of the contractual agreement.

(p) Recoveries of prior years' expenditures

Recoveries of prior years' expenditures and reversals of prior years' expenditure accruals are reported separately from other revenues on the statement of operations and surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

3. CHANGE IN OPERATIONS

On April 1, 1999, the *Nunavut Act* came into effect. The *Nunavut Act* consequently amended the *Northwest Territories Act* to redefine the Northwest Territories to exclude the geographic Nunavut Territory as of April 1, 1999. All government operations within the Nunavut Territory were transferred to the Government of Nunavut on this date. The consequential allocation of assets, liabilities and surplus to the two territorial Governments effective April 1, 1999, as approved by the respective representatives, is as follows:

Statement of Financial Position (unaudited)

		April 1, 1999 Government in	
(thousands of dollars)	March 31, 1999	Nunavut	Northwest Territories
Assets			
Cash and short term investments	$ 55,470	$ -	$ 55,470
Due from (to) Canada	54,607	6,449	48,158
Accounts receivable	63,944	18,904	45,040
Inventories	35,611	26,844	8,767
Prepaid expenses	5,696	203	5,493
Designated cash and investments	18,309	-	18,309
Loans Receivable	49,931	11,694	38,237
Investment in Northwest Territories Power Corporation, at nominal value of one dollar	-	-	-
	$ 283,568	**$ 64,094**	**$ 219,474**
Liabilities			
Short-term loans	$ 50,964	$ -	$ 50,964
Accounts payable and accrued liabilities	135,347	9,471	125,876
Due to Government of the Northwest Territories (Due from the Government of Nunavut)	-	**35,313**	**(35,313)**
Pension liabilities	15,830	-	15,830
Employee termination benefits	20,345	2,375	17,970
Provision for equal pay settlement	22,889	-	22,889
	245,375	47,159	198,216
Accumulated surplus	38,193	16,935	21,258
	$ 283,568	**$ 64,094**	**$ 219,474**

3. CHANGE IN OPERATIONS (continued)

The April 1 opening balances allocated to the Government of the Northwest Territories, as detailed above, are presented in the Non-Consolidated Statement of Financial Position for comparative purposes.

The comparison of the current year results, after division, to the prior year results, before division, is not considered meaningful because of changes in various factors including fundamental differences between the Nunavut and the Northwest Territories in their: operations; business economies; and income generating opportunities. Additionally, it was not practical to segregate results before division between territorial operations. Consequently, the statements of operations and surplus and cash flow for the year ended March 31, 2000 are presented without any comparative figures.

4. CASH / BANK OVERDRAFT

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Cash in bank	$ 10,332	$ 2,709
Overdraft at bank	-	(4,337)
Outstanding items	(7,376)	(31,345)
Cash (Bank Overdraft)	$ 2,956	$ (32,973)

The bank overdraft is a line of credit provided to the Government by the Chartered Banks. There are no fixed repayment terms and the overdraft limits are negotiated over the year based on the forecasted cash flows and borrowing requirements of the Government. The overdraft interest rate is at prime and the collateral is on the Consolidated Revenue Fund of the Government. Interest is charged on the net balance of the Government and its pool participants.

5. SHORT-TERM INVESTMENTS

The Government pools it's surplus cash with cash from some of its crown corporations and other public agencies. This investment pool is invested in a diversified portfolio of high grade, short-term income producing assets.

At March 31,2000 the investment pool has total investments of $65 million. The Government's share of the pool is only $2,510,000. The eligible classes of securities, categories of issuers, limits and terms are approved under the investment guidelines. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service or A-3 or better from the Canadian Bond Rating Service.

The average term to maturity, as at March 31, 2000, is 172 days. Interest earned on short-term investments is $412,000 in 2000. (1999 - $445,000).

6. DUE FROM (TO) CANADA

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Grant receivable		
Grant per financing agreement - Schedule A	$ 519,155	$ 911,577
Less payments received	(545,002)	(996,311)
	(25,847)	(84,734)
Balance receivable (payable) at beginning of year	31,683	116,417
	5,836	31,683
Other receivables:		
Indian and Inuit hospital and medical care	26,536	8,388
Projects on behalf of Canada	3,196	11,893
Miscellaneous receivables	12,586	20,384
	48,154	**72,348**
Payables:		
Unapplied balance of advances under agreements	(1,806)	(854)
Excess Income Tax advanced	(7,003)	(12,336)
Other payables	(6,740)	(11,000)
Deferred Canada Health and Social Transfer funding	(5,000)	-
	(20,549)	**(24,190)**
	$ 27,605	**$ 48,158**

The amounts due from Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to maturity.

7. ACCOUNTS RECEIVABLE

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
General accounts receivable	$ 16,733	$ 20,790
Government of Nunavut	21,928	-
Revolving funds	6,430	3,606
Accrued interest	1,328	688
	46,419	25,084
Less: allowance for doubtful accounts	5,405	3,618
	41,014	21,466
Receivables from related parties		
Aurora College	2,112	750
Divisional Education Councils and District Education Authorities	4,310	3,172
Hospitals and Regional Health Boards	704	1,814
Northwest Territories Development Corporation	141	2
Northwest Territories Housing Corporation	2,159	11,175
Northwest Territories Liquor Commission	2	1
Northwest Territories Power Corporation	10	6,647
Workers' Compensation Board (Northwest Territories and Nunavut)	33	13
	9,471	23,574
	$ 50,485	**$ 45,040**

During the year, accounts receivable of $59,693 were written off with proper authority and $1,066 were forgiven with proper authority.

8. INVENTORIES

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Bulk fuels	$ 4,346	$ 4,594
Granular products	505	1,094
Liquor products	2,963	2,916
Public stores	155	163
	$ 7,969	**$ 8,767**

9. DESIGNATED CASH AND INVESTMENTS

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Investment Portfolio		
Marketable securities (market value $19,740,000)	$ 17,398	$ 16,626
Cash and other assets (market value equals cost)	558	382
	17,956	17,008
Students Loan Fund		
Authorized Limit	22,000	22,000
Less: Loans receivable	19,979	20,699
Cash available for new loans	2,021	1,301
	$ 19,977	**$ 18,309**

The cash and marketable securities held in the investment portfolio, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplementary Retiring Allowance and cannot be used to discharge obligations incurred by the Government. The assets in the investment portfolio are managed by CIBC Mellon Global Securities Company. Supplementary Retiring Allowances Regulations restrict the investments CIBC Mellon Global Securities Company can make to those investments listed in the *Pension Benefits Standards Act*.

The proportionate asset mix in the investment portfolio is as follows as at:

	March 31, 2000 %	April 1, 1999 %
Canadian Stocks	28.96	27.31
Cash and Other Assets	3.12	3.20
Corporate Bonds	7.47	12.11
Federal Bonds	15.31	23.01
Foreign Stocks	2.53	1.03
Provincial Bonds	34.08	33.34
Strip Bonds	8.53	-
	100.00	100.00

The average market yields on the federal, provincial, and corporate bonds are 3.44%, 0.67% and 6.46% (1999 - 3.18%, 1.77% and 6.0%), respectively, with maturity dates ranging from April 2000 to December 2015. The gain on investments sold was $1,667,000 (1999 - $838,000).

10. LOANS RECEIVABLE

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Working Capital advances to the Northwest Territories Business Credit Corporation. The term is indeterminate with the option to repay any portion of principal on any interest payment date. Interest is calculated at selected Government of Canada three year bond rates at the end of the month	$ 27,967	$ 23,691
Students Loan Fund loans due in installments to 2011, bearing interest between 3.75% and 12.5%, net of allowance for doubtful accounts and loan remissions of $11,750,000 (1999 - $10,052,000)	8,229	7,858
Loans to municipalities due in installments to 2026, bearing interest between 6.50% and 11.27%	5,490	6,460
Other	188	228
	41,874	38,237
Less: Current Portion	1,698	1,673
	$ 40,176	**$ 36,564**

During the year, the following amounts were written off and forgiven with proper authority:

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Students Loan Fund		
Forgivable loan remissions, including interest	$ 670	$ 1,614
Write-offs	63	98
	$ 733	**$ 1,712**

The interest earned on loans receivable during the year was $2,372,236.

11. SHORT-TERM LOANS

Short-term loans of $79,361,000 (1999 - $50,964,400) bear interest at varying rates between 5.04% to 5.89%. The short-term loans were repaid as of April 1, 2000. The borrowing limit under the *Borrowing Authorization Act* was $175,000,000 as of March 31, 2000. Interest paid on short-term borrowing is $2,259,000 in 2000 (1999 - $2,051,000).

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2000	**April 1, 1999**
	(thousands of dollars)	
Accounts Payable	$ 42,337	$ 61,650
Other liabilities, payroll deductions and contractors' holdbacks	14,710	22,709
Government of Nunavut	12,679	-
Employee leave benefits	7,849	7,602
Deferred revenue	1,312	779
	78,887	92,740
Payables to related parties		
Aurora College	1,122	1,919
Divisional Education Councils and District Education Authorities	699	3,853
Hospitals and Regional Health Boards	3,565	15,549
Northwest Territories Housing Corporation	1,345	8,356
Northwest Territories Power Corporation	453	2,863
Workers' Compensation Board (Northwest Territories and Nunavut)	1,400	596
	8,584	33,136
	$ 87,471	**$ 125,876**

13. PENSIONS

(a) Pension Liabilities

	March 31, 2000	**April 1, 1999**
	(thousands of dollars)	
Legislative Assembly Supplementary Retiring Allowance	$ 15,537	$ 15,083
Judges' Supplemental Pension Plan	859	747
	$ 16,396	**$ 15,830**

The Government also maintains the Legislative Assembly Retiring Allowances Fund and the Territorial Court Judges' Registered Pension Plan. These two pension plans are fully funded, consequently the Government has no liabilities as at March 31, 2000 (1999 - nil). The funds related to these plans are administered by independent trust companies.

13. PENSIONS (continued)

The Legislative Assembly Retiring Allowances Fund and the Judges' Registered Pension Plan are contributory defined benefit pension plans. The Legislative Assembly Supplementary Retiring Allowance and the Judges' Supplemental Pension Plan are non-contributory defined benefit pension plans. Benefits provided under the plans are based on service and/or earnings. The Government is liable for all benefits.

Actuarial valuations were completed for the Legislative Assembly and Judges' plans as of March 31, 2000 and January 1, 1998 respectively, using the projected benefit method prorated on service. The valuation is based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts. The actuarial valuations were extrapolated to March 31, 2000, if they were not valued at the balance sheet date.

(b) Pension Expense

Pension expense for the Legislative Assembly Supplementary Retiring Allowance and Judges' Supplemental Pension Plan for the year totalled $1,429,000.

(c) Public Service Superannuation Plan

The Government and its employees make contributions to the Public Service Superannuation Plan administered by Canada. The employer's contribution of $6,300,000 represents the total obligation of the Government. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

14. EMPLOYEE TERMINATION BENEFITS

	March 31, 2000	April 1, 1999
	(thousands of dollars)	
Termination	$ 11,069	$ 10,188
Removal	5,775	5,691
Retirement	2,377	2,091
	19,221	17,970
Less: Current portion	3,209	3,917
	$ 16,012	**$ 14,053**

15. PETROLEUM PRODUCTS STABILIZATION FUND

The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold and distributed by the Government. The net revenues or expenditures of the Petroleum Products Revolving Fund are charged to the Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed $5,000,000.

On April 1, 1999 the Nunavut Act came into force creating the Nunavut Territory and consequently redefining the Petroleum Products Stabilization Fund to exclude all assets located in the geographic Nunavut Territory and assign a portion of the deficit at that date to Nunavut based on Division of Assets and Liabilities Agreement. The Petroleum Products Stabilization Fund was created under the authority of the Revolving Funds Act. The following reflect only the Government of the Northwest Territories portion of the Fund:

15. PETROLEUM PRODUCTS STABILIZATION FUND (continued)

	2000 (thousands of dollars)
Deficit at beginning of the year	$ (2,783)
Less: Petroleum Products Revolving Fund - Net expenditures	(1,356)
Deficit at end of the year	**$ (4,139)**

16. TRUST ASSETS AND LIABILITIES

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	March 31, 2000 (thousands of dollars)	**April 1, 1999**
Workers' Compensation Board (Northwest Territories and Nunavut)	$ 254,456	$ 241,937
Public Trustee	2,714	4,609
Natural resources - capital	334	332
Supreme Court	273	325
Other	164	258
Territorial court	164	196
Correctional institutions	112	134
	$ 258,217	**$ 247,791**

The Workers' Compensation Board (Northwest Territories and Nunavut) has a fiscal year end of December 31. Its most recent financial statements and those of the Public Trustee are produced in Section III of the Public Accounts of the Government.

17. COMMITMENTS

The Government has entered into agreements for, or is contractually committed to, the following expenditures payable subsequent to March 31, 2000:

	Expiry Date	**2001**	**2002-2025** (thousands of dollars)	**Total**
Operational commitments	2005	$ 31,934	$ 34,390	$ 66,324
Commercial and residential leases	2025	9,815	55,056	64,871
RCMP Policing Agreement	2001	18,374	18,374	36,748
Capital commitments - Projects in progress at March 31, 2000	2003	10,385	2,298	12,683
Equipment leases	2006	1,192	1,342	2,534
Block Funding Agreements with Municipalities	2003	676	1,351	2,027
Western Harvesters' Assistance Program	2003	729	487	1,216
		$ 73,105	**$ 113,298**	**$ 186,403**

17. COMMITMENTS (continued)

(a) Chargeback of Services

The Government has entered into 61 cost recovery service agreements with the Government of Nunavut for the provision of various corporate and program delivery services. The expenditures on and costs recovered from these projects on behalf of Nunavut are estimated at $15,236,296 for the fiscal year 2000-2001.

18. CONTINGENCIES

(a) Contingent Liabilities

The Government is contingently liable for the following:

	(thousands of dollars)
Debentures issued by the Northwest Territories Power Corporation, maturing from 2009 to 2026	$ 129,198
Loans payable by the Northwest Territories Housing Corporation	28,700
Loans payable by the Northwest Territories Power Corporation	18,000
Guarantee of Operating Line of Credit	7,000
Uninsured losses	575
	$ 183,473

(b) Equal Pay Complaint

In March 1989, the Public Service Alliance of Canada filed an equal pay complaint against the Government under the *Canadian Human Rights Act*.

Notwithstanding that the complaint is still before a Canadian Human Rights Tribunal, the Government made offers of settlement to individuals and accrued a $33 million provision as its best estimate of the amount needed to settle the equal pay complaint. As of March 31, 2000 the Government has paid out $27 million of the amount accrued. The amounts paid are based on legally binding agreements with individual employees and former employees in final settlement of their equal pay claim. The balance of the provision, $6,133,000, will continue to be paid as eligible recipients are located and accept the Government's offer.

For those employees who have received but not accepted the Government's offer, the offers remain open and the complaint remains outstanding. As such there exists a possibility that equal pay costs could exceed or be lower than the amount accrued for these employees. In the event there is an additional or lesser liability, the change will be shared 44.34% with the Government of Nunavut and the balance charged to or recovered from operations in the year when it is determined.

(c) Environmental Restoration Costs

As circumstances and funding have permitted, the Government has been addressing the problem of environmental liabilities. In a number of departments, this process has consisted of identifying sites of potential liability and remediating the sites as necessary.

The Government has identified 262 sites in, or in close proximity to communities, where environmental liabilities may exist. Of these, 84 sites have been either assessed or are owned by the private sector. To date 49 of the 84 sites have been remediated. Other assessed sites have remediation plans in place or, are undergoing further study.

18. CONTINGENCIES (continued)

In addition there are 140 fuel caches managed by the Department of Resources, Wildlife and Economic Development that are located a distance from communities. Many of these caches, because of their remoteness and the small number of drums involved (with the potential for only limited local contamination), have not yet been formally inspected. Of these sites, 24 have been, or shortly will be, inspected. The Government has plans in place to remove the drums and restore the site to its original condition for 14 of the sites.

The Government will continue with its program of site inspection, assessment and remediation on an ongoing basis. In those cases where the cost of remediating sites is quantifiable, an estimated liability is accrued. As at March 31, 2000 no costs have yet been quantified so no liability has been accrued.

(d) Guarantees

The Government has guaranteed an operating line to Sirrius Diamonds Ltd. of $7,000,000. In addition, the Government has guaranteed residential housing loans totalling $3,082,000.

The Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's hare is limited to the percentage of the Northwest Territories' population to the Canadian population.

19. RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year the Government made grants and contributions to the following related parties.

	2000 (thousands of dollars)
Hospitals and Regional Health Boards	$ 110,932
Divisional Education Councils and District Education Authorities	80,859
Northwest Territories Housing Corporation	46,744
Aurora College	20,067
Northwest Territories Development Corporation	2,700
Northwest Territories Business Credit Corporation	489
	$ 261,791

The Government funds communities, boards and agencies and other organizations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of these boards and agencies. An estimate of the potential liability, if any, cannot be determined.

19. RELATED PARTIES (continued)

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided included personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services. Direct costs of $52,937,000 were incurred and recovered from related parties.

The Government of the Northwest Territories receives dividend revenue in return for its investment in the Northwest Territories Power Corporation. Dividend revenue for the current year is $4,359,000.

20. OVEREXPENDITURES

The Department of Health and Social Services exceeded the amounts appropriated to it for operations and maintenance activities by $1,024,000. This contravenes the *Financial Administration Act, (FAA)* section 32, which states..."No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

Government of the Northwest Territories

Schedule A

Non-Consolidated Schedule of Revenues by Source (unaudited)

for the year ended March 31, 2000
(thousands of dollars)

	Main Estimates (note 1b)	Actual
REVENUE FROM CANADA		
Grants		
Grant per Financing Agreement	$ 522,015	$ 521,675
Adjustments for:		
Income Tax Collections	-	(7,071)
Escalation	-	5,973
Canadian Health and Social Transfer	-	5,799
Operating Revenues	-	(7,036)
Keep Up Factor	-	(186)
	522,015	519,154
Transfer Payments		
Federal Cost Shared	26,548	28,308
Canadian Health and Social Transfer	17,470	16,415
Federal Programs	5,474	8,224
	49,492	52,947
Total from Canada	**571,507**	**572,101**
GENERATED REVENUES		
Recoveries		
Program Recoveries	5,714	6,534
Service Recoveries	2,853	1,120
Lease and Accommodations	1,400	2,139
Commodity Sales	129	159
Salary Recoveries - Boards and Agencies	75	74
Insurance Proceeds	60	487
Transportation Recoveries	48	45
	10,279	10,558

Government of the Northwest Territories

Schedule A
(continued)

Non-Consolidated Schedule of Revenues by Source (unaudited)

for the year ended March 31, 2000
(thousands of dollars)

	Main Estimates (note 1b)	Actual
Taxation		
Individual	44,672	51,497
Corporate	14,218	7,629
Tobacco	9,903	10,220
Payroll	8,936	8,876
Fuel	7,414	7,533
Property	5,081	5,412
School	1,677	1,035
Insurance	1,376	1,529
	93,277	93,731
General Revenue		
Revolving Funds - Liquor Commission	13,685	15,771
Regulatory Revenues	8,395	8,775
Other General Revenues	3,610	3,240
Investment Income	1,177	2,865
	26,867	30,651
Grants in Kind	-	73
Capital - Tangible Asset Sales		
Land and Buildings	3,300	941
Infrastructure	65	77
Recoveries of Prior Years Capital Expenditures	22	-
Capital Equipment	-	283
Grants in Kind	-	454
	3,387	1,755
Total Generated Revenue	**133,810**	**136,768**
Total Revenues by Source	**$ 705,317**	**$ 708,869**

Government of the Northwest Territories

Schedule B

Non-Consolidated Schedule of Operations and Maintenance Expenditures (unaudited)

for the year ended March 31, 2000
(thousands of dollars)

	Main Estimates (note 1b)	Compensation and Benefits	Grants and Contributions	Valuation Allowances	Other	Total Expenditures
Legislative Assembly	$ 11,618	$ 4,354	$ -	$ -	$ 7,470	$ 11,824
Executive	30,334	19,878	5,451	69	11,536	36,934
Finance	7,113	2,484	-	-	5,228	7,712
Municipal and Community Affairs	47,803	10,013	32,545	-	5,153	47,711
Public Works and Services	36,842	13,324	260	-	21,648	35,232
Health and Social Services	160,921	11,764	114,124	-	40,047	165,935
Justice	54,671	21,997	1,486	1	31,927	55,411
NWT Housing Corporation	21,634	-	21,497	-	-	21,497
Education, Culture and Employment	156,024	12,500	113,516	2,214	28,131	156,361
Transportation	43,036	19,389	20	12	23,073	42,494
Resources, Wildlife and Economic Development	70,640	25,592	13,100	138	33,095	71,925
	$ 640,636	**$ 141,295**	**$ 301,999**	**$ 2,434**	**$ 207,308**	**$ 653,036**

Government of the Northwest Territories

Schedule C

Non-Consolidated Schedule of Capital Expenditures (unaudited)

for the year ended March 31, 2000
(thousands of dollars)

	Main Estimates (note 1b)	Grants and Contributions	Tangible Capital Acquisitions	Total Expenditures
Legislative Assembly	$ 450	$ -	$ 425	$ 425
Executive	-	-	417	417
Finance	-	-	-	-
Municipal and Community Affairs	12,213	9,185	3,786	12,971
Public Works and Services	1,455	-	2,625	2,625
Health and Social Services	7,025	2,703	2,930	5,633
Justice	4,637	79	770	849
NWT Housing Corporation	21,642	25,247	-	25,247
Education, Culture and Employment	13,526	226	17,351	17,577
Transportation	22,887	646	27,410	28,056
Resources, Wildlife and Economic Development	2,427	188	2,231	2,419
	$ 86,262	$ 38,274	$ 57,945	$ 96,219

Government of the Northwest Territories

Schedule 1

Non-Consolidated Schedule of Revenues

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Legislative Assembly					
Recoveries					
Publications	$ 27	$ -	$ 27	$ 5	$ (22)
Concessions	3	-	3	1	(2)
Merchandise	1	-	1	22	21
Third Party Recoveries	-	-	-	1	1
	31	**-**	**31**	**29**	**(2)**
General Revenue					
Gain on Investments	-	-	-	1,667	1,667
	31	**-**	**31**	**1,696**	**1,665**
Executive					
Financial Management Board Secretariat					
Recoveries					
Program Recipient Recoveries	3,986	-	3,986	4,359	373
Chargebacks	2,200	-	2,200	12	(2,188)
Staff Housing	382	-	382	476	94
Public Private Partnerships	-	-	-	84	84
	6,568	**-**	**6,568**	**4,931**	**(1,637)**
General Revenue					
Nunavut Administration Fees	1,000	-	1,000	-	(1,000)
Fees	4	-	4	26	22
	1,004	**-**	**1,004**	**26**	**(978)**
	7,572	**-**	**7,572**	**4,957**	**(2,615)**
Finance					
Operating Grant - Canada	522,015	-	522,015	519,154	(2,861)
Recoveries					
Investment Pool Costs	88	-	88	239	151
Insured and Third Party	60	-	60	487	427
Publications	-	-	-	3	3
	148	-	148	729	581
Taxation					
Personal Income Tax	44,672	-	44,672	51,497	6,825
Corporate Income Tax	14,218	-	14,218	7,629	(6,589)
Tobacco Tax	9,903	-	9,903	10,220	317
Payroll Tax	8,936	-	8,936	8,876	(60)
Fuel Tax	7,414	-	7,414	7,533	119
Property Tax	5,081	-	5,081	5,412	331
School Tax Levy	1,677	-	1,677	1,035	(642)
Insurance Taxes	1,376	-	1,376	1,529	153
	93,277	-	93,277	93,731	454

Government of the Northwest Territories

Schedule 1
(continued)

Schedule of Revenues

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Finance (continued)					
General Revenue					
Liquor Commission	13,685	-	13,685	15,771	2,086
Municipal Interest	500	-	500	592	92
Investment Interest	392	-	392	278	(114)
Fees	96	-	96	153	57
Nunavut Administration Fees	-	-	-	26	26
	14,673	-	14,673	16,820	2,147
	630,113	**-**	**630,113**	**630,434**	**321**
Municipal and Community Affairs					
Recoveries					
Land Leases	410	-	410	997	587
Program Recipient Recoveries	1	-	1	-	(1)
Third Party Recoveries	-	153	153	153	-
	411	153	564	1,150	586
General Revenue					
Licenses	183	-	183	170	(13)
Fees	39	-	39	38	(1)
	222	-	222	208	(14)
	633	**153**	**786**	**1,358**	**572**
Public Works and Services					
Transfer Payments					
Federal Programs	-	-	-	42	42
Grants					
Grants in Kind	-	73	73	73	-
Recoveries					
Commercial Leases	567	-	567	640	73
Water and Sewer Maintenance	420	-	420	589	169
Utility Services	50	-	50	50	-
Parking Stall Rentals	34	-	34	23	(11)
Publications	-	-	-	1	1
	1,071	-	1,071	1,303	232
General Revenue					
Permits	191	-	191	241	50
Fees	186	-	186	188	2
Inspections	33	-	33	97	64
Nunavut Administration Fees	-	-	-	49	49
Registrations	-	-	-	48	48
	410	-	410	623	213
	1,481	**73**	**1,554**	**2,041**	**487**

Government of the Northwest Territories

Schedule 1
(continued)

Schedule of Revenues

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Health and Social Services					
Transfer Payments					
Federal Cost Shared	21,757	-	21,757	22,952	1,195
Canadian Health and Social Transfer	17,470	-	17,470	16,415	(1,055)
Federal Programs	4,598	-	4,598	6,774	2,176
	43,825	-	43,825	46,141	2,316
Recoveries					
Program Recipient Recoveries	1,207	-	1,207	928	(279)
Chargebacks	-	-	-	83	83
Third Party Recoveries	-	-	-	7	7
	1,207	-	1,207	1,018	(189)
General Revenue					
Licenses	33	-	33	106	73
Fees	42	-	42	39	(3)
	75	-	75	145	70
	45,107	**-**	**45,107**	**47,304**	**2,197**
Justice					
Transfer Payments					
Federal Cost Shared	4,791	227	5,018	5,356	338
Federal Programs	13	115	128	102	(26)
	4,804	342	5,146	5,458	312
Recoveries					
Boards and Agencies	75	-	75	74	(1)
Program Recipient Recoveries	65	-	65	45	(20)
Air Charter	48	-	48	45	(3)
Publications	30	-	30	21	(9)
Room and Board	7	-	7	5	(2)
	225	-	225	190	(35)
General Revenue					
Fees	2,226	-	2,226	2,422	196
Fines	312	-	312	379	67
Nunavut Administration Fees	-	-	-	247	247
Interest Revenue	-	-	-	4	4
	2,538	-	2,538	3,052	514
	7,567	**342**	**7,909**	**8,700**	**791**

Government of the Northwest Territories

Schedule 1
(continued)

Schedule of Revenues

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Education, Culture and Employment					
Transfer Payments					
Federal Programs	863	-	863	1,306	443
General Revenue					
Interest Revenue	285	-	285	313	28
Exam and Certification	2	-	2	38	36
Fees	1	-	1	1	-
	288	-	288	352	64
Recoveries					
Third Party Recoveries	125	-	125	125	-
Program Recipient Recoveries	20	-	20	179	159
Concessions	4	-	4	10	6
	149	-	149	314	165
	1,300	**-**	**1,300**	**1,972**	**672**
Transportation					
Recoveries					
Third Party Recoveries	-	359	359	376	17
Road / Highway Maintenance	95	-	95	64	(31)
	95	359	454	440	(14)
General Revenue					
Registrations	2,160	75	2,235	2,207	(28)
Lease Revenue	1,124	-	1,124	1,225	101
Fees	722	-	722	614	(108)
Concession Revenue	362	-	362	226	(136)
Licenses	337	25	362	219	(143)
Permits	115	-	115	186	71
Exam and Certification	3	-	3	7	4
Inspections	1	-	1	-	(1)
Interest Revenue	-	-	-	10	10
	4,824	100	4,924	4,694	(230)
	4,919	**459**	**5,378**	**5,134**	**(244)**

Government of the Northwest Territories

Schedule 1
(continued)

Schedule of Revenues

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Resources, Wildlife and Economic Development					
Recoveries					
User Recoveries	310	-	310	358	48
Merchandise	64	-	64	95	31
Publications	-	-	-	1	1
	374	-	374	454	80
General Revenue					
Fees	1,010	-	1,010	717	(293)
Lease Revenue	1,125	-	1,125	1,468	343
Licenses	698	-	698	877	179
Permits	-	-	-	2	2
	2,833	-	2,833	3,064	231
	3,207	**-**	**3,207**	**3,518**	**311**
Total Operations and Maintenance	**$ 701,930**	**$ 1,027**	**$ 702,957**	**$ 707,114**	**$ 4,157**
CAPITAL					
Executive					
Financial Management Board Secretariat					
Land and Buildings	$ 3,000	$ -	$ 3,000	$ 743	$ (2,257)
	3,000	**-**	**3,000**	**743**	**(2,257)**
Municipal and Community Affairs					
Infrastructure	65	-	65	71	6
	65	**-**	**65**	**71**	**6**

Government of the Northwest Territories

Schedule 1
(continued)

Schedule of Revenues

for the year ended March 31, 2000
(thousands of dollars)

CAPITAL	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Public Works and Services					
Land and Buildings	300	-	300	67	(233)
Infrastructure	-	-	-	6	6
Capital Equipment	-	-	-	53	53
Grants in Kind	-	454	454	453	(1)
	300	**454**	**754**	**579**	**(175)**
Justice					
Recovery of Capital - PYE	22	-	22	-	(22)
	22	**-**	**22**	**-**	**(22)**
Transportation					
Land and Buildings	-	133	133	132	(1)
Capital Equipment	-	230	230	230	-
	-	**363**	**363**	**362**	**(1)**
Total Capital	**$ 3,387**	**$ 817**	**$ 4,204**	**$ 1,755**	**$ (2,449)**
Total Revenues	**$ 705,317**	**$ 1,844**	**$ 707,161**	**$ 708,869**	**$ 1,708**

Non-Consolidated Schedule of Expenditures

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Legislative Assembly						
Office of the Clerk	$ 6,564	$ 207	$ 241	$ 7,012	$ 7,176	$ (164)
Expenditures on Behalf of Members	3,453	-	(241)	3,212	3,168	44
Office of the Chief Electoral Officer	1,106	-	-	1,106	1,017	89
Commissioner of Official Languages	345	-	-	345	317	28
Office of the Speaker	150	-	-	150	146	4
	11,618	**207**	**-**	**11,825**	**11,824**	**1**
Executive						
Executives Offices						
Cabinet Secretariat	4,256	1,165	62	5,483	5,527	(44)
Ministers' Offices	3,347	150	(62)	3,435	3,415	20
Public Utilities Board	394	-	-	394	290	104
Commissioner's Office	171	-	-	171	169	2
	8,168	1,315	-	9,483	9,401	82
Financial Management Board Secretariat						
Government Accounting	7,177	-	-	7,177	7,304	(127)
Directorate	5,176	(121)	-	5,055	4,712	343
Labour Relations and Compensation Services	3,786	4,277	-	8,063	8,379	(316)
Audit Bureau	1,213	-	-	1,213	1,082	131
Budgeting and Evaluation	1,116	2,330	-	3,446	2,601	845
	18,468	6,486	-	24,954	24,078	876
Aboriginal Affairs	3,698	-	-	3,698	3,455	243
	30,334	**7,801**	**-**	**38,135**	**36,934**	**1,201**
Finance						
Treasury	4,801	1,120	(22)	5,899	5,498	401
Directorate	1,049	-	22	1,071	1,018	53
Fiscal Policy	697	-	-	697	659	38
Bureau of Statistics	566	-	-	566	537	29
	7,113	**1,120**	**-**	**8,233**	**7,712**	**521**
Municipal and Community Affairs						
Regional Operations	30,728	(148)	272	30,852	30,539	313
Community Operations	9,889	-	(464)	9,425	9,496	(71)
Corporate Affairs	1,934	-	44	1,978	1,996	(18)
Community Development	1,514	-	28	1,542	1,515	27
Emergency Services	1,119	153	(49)	1,223	1,217	6
School of Community Government	931	-	100	1,031	985	46
Community Governance and Financial Services	863	-	(80)	783	711	72
Directorate	825	-	149	974	1,252	(278)
	47,803	**5**	**-**	**47,808**	**47,711**	**97**

Government of the Northwest Territories

Schedule 2
(continued)

Non-Consolidated Schedule of Expenditures

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Public Works and Services						
Asset Management	25,322	(1,166)	(760)	23,396	23,275	121
Directorate	5,834	-	1,118	6,952	6,349	603
Technical Support	5,127	70	(301)	4,896	5,160	(264)
Systems and Communications	559	-	(57)	502	448	54
	36,842	**(1,096)**	**-**	**35,746**	**35,232**	**514**
Health and Social Services						
Primary and Acute Care Programs	76,630	-	2,746	79,376	79,678	(302)
Health Insurance Programs	30,993	1,442	(1,200)	31,235	34,558	(3,323)
Directorate and Corporate Services	23,710	1,248	(550)	24,408	23,323	1,085
Community Health Programs	20,174	1,300	(985)	20,489	19,474	1,015
Children's Programs	9,414	-	(11)	9,403	8,902	501
	160,921	**3,990**	**-**	**164,911**	**165,935**	**(1,024)**
Justice						
Law Enforcement	18,270	65	-	18,335	18,036	299
Community Justice and Corrections	18,281	675	(80)	18,876	20,814	(1,938)
Registries and Court Services	8,518	-	-	8,518	7,223	1,295
Legal Services Board	3,286	-	-	3,286	3,050	236
Corporate Services	6,316	-	80	6,396	6,288	108
	54,671	**740**	**-**	**55,411**	**55,411**	**-**
NWT Housing Corporation	**21,634**	**50**	**-**	**21,684**	**21,497**	**187**
Education, Culture and Employment						
Directorate and Administration	5,433	-	-	5,433	5,543	(110)
Advanced Education and Careers	59,351	(171)	82	59,262	57,818	1,444
Education and Culture	91,240	1,367	(82)	92,525	93,000	(475)
	156,024	**1,196**	**-**	**157,220**	**156,361**	**859**
Transportation						
Airports	12,608	359	(283)	12,684	12,789	(105)
Highways	16,933	-	(554)	16,379	16,030	349
Corporate Services	7,053	-	1,075	8,128	7,609	519
Ferries	3,949	-	(152)	3,797	3,856	(59)
Motor Vehicles	2,303	114	(21)	2,396	2,132	264
Community Marine	115	-	(55)	60	33	27
Community Local Access Roads	75	-	(10)	65	45	20
	43,036	**473**	**-**	**43,509**	**42,494**	**1,015**

Government of the Northwest Territories

Schedule 2
(continued)

Non-Consolidated Schedule of Expenditures

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Resources, Wildlife and Economic Development						
Resource Management and Economic Development	32,537	1,587	(926)	33,198	31,966	1,232
Forest Management	28,285	-	(238)	28,047	28,337	(290)
Corporate Management	8,518	-	1,164	9,682	10,368	(686)
Environmental Protection	1,300	-	-	1,300	1,254	46
	70,640	**1,587**	**-**	**72,227**	**71,925**	**302**
Total Operations and Maintenance	**$ 640,636**	**$ 16,073**	**$ -**	**$ 656,709**	**$ 653,036**	**$ 3,673**
CAPITAL						
Legislative Assembly						
Office of the Clerk	**$ 450**	**$ -**	**$ -**	**$ 450**	**$ 425**	**$ 25**
Executive						
Financial Management Board Secretariat						
Directorate	-	**625**	-	**625**	**417**	**208**
Municipal and Community Affairs						
Community Operations	12,163	3,394	20	15,577	12,950	2,627
Emergency Services	50	-	(20)	30	21	9
	12,213	**3,394**	**-**	**15,607**	**12,971**	**2,636**
Public Works and Services						
Asset Management	493	1,813	-	2,306	1,676	630
Systems and Communications	-	197	88	285	230	55
Petroleum Products	962	-	(88)	874	719	155
	1,455	**2,010**	**-**	**3,465**	**2,625**	**840**
Health and Social Services						
Primary and Acute Care Programs	6,025	413	454	6,892	5,563	1,329
Children's Programs	1,000	-	-	1,000	70	930
Community Health Programs	-	454	(454)	-	-	-
	7,025	**867**	**-**	**7,892**	**5,633**	**2,259**

Government of the Northwest Territories

Schedule 2
(continued)

Non-Consolidated Schedule of Expenditures

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Justice						
Community Corrections and Justice	**4,637**	**220**	**-**	**4,857**	**849**	**4,008**
NWT Housing Corporation	**21,642**	**3,605**	**-**	**25,247**	**25,247**	**-**
Education, Culture and Employment						
Advanced Education and Careers	1,553	870	(173)	2,250	2,021	229
Education and Culture	11,973	3,240	173	15,386	15,556	(170)
	13,526	**4,110**	**-**	**17,636**	**17,577**	**59**
Transportation						
Highways	17,589	7,483	(27)	25,045	23,470	1,575
Airports	3,818	660	120	4,598	3,573	1,025
Ferries	750	-	75	825	714	111
Community Local Access Roads	500	85	(123)	462	248	214
Community Marine	230	-	-	230	51	179
Motor Vehicles	-	45	(45)	-	-	-
	22,887	**8,273**	**-**	**31,160**	**28,056**	**3,104**
Resources, Wildlife and Economic Development						
Resource Management and Economic Development	1,737	489	(17)	2,209	1,812	397
Environmental Protection	410	-	-	410	321	89
Forest Management	255	-	(5)	250	240	10
Corporate Management	25	-	22	47	46	1
	2,427	**489**	**-**	**2,916**	**2,419**	**497**
Total Capital	**$ 86,262**	**$ 23,593**	**$ -**	**$ 109,855**	**$ 96,219**	**$ 13,636**
Total Expenditures	**$ 726,898**	**$ 39,666**	**$ -**	**$ 766,564**	**$ 749,255**	**$ 17,309**

Government of the Northwest Territories

Schedule 3

Non-Consolidated Schedule of Recoveries of Prior Years' Expenditures

for the year ended March 31, 2000
(thousands of dollars)

DEPARTMENT	Over-Accruals	Recoveries of Valuation Allowances	Other Recoveries	Total
Legislative Assembly	$ 10	$ -	$ 4	$ 14
Executive	14	47	16	77
Finance	-	-	1	1
Municipal and Community Affairs	94	-	85	179
Public Works and Services	145	-	221	366
Health and Social Services	2,006	-	(639)	1,367
Justice	54	-	159	213
Education, Culture and Employment	216	-	526	742
Transportation	26	-	115	141
Resources, Wildlife and Economic Development	25	-	143	168
	$ 2,590	**$ 47**	**$ 631**	**$ 3,268**

Government of the Northwest Territories

Schedule 4

Non-Consolidated Schedule of Grants

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Executive						
Executive Offices						
Women's Initiatives	$ 50	$ -	$ -	$ 50	$ 40	$ 10
Native Women's Association (grant in kind)	-	73	-	73	73	-
	50	**73**	**-**	**123**	**113**	**10**
Aboriginal Affairs						
Metis Nation	225	-	-	225	225	-
Aboriginal Organizations	75	-	40	115	69	46
	300	**-**	**40**	**340**	**294**	**46**
	350	**73**	**40**	**463**	**407**	**56**
Municipal and Community Affairs						
Grant in Lieu of Taxes	3,188	-	187	3,375	3,374	1
Senior Citizens' & Disabled Property Tax	155	-	31	186	211	(25)
NWT Association of Municipalities	131	-	4	135	139	(4)
NWT Association of Municipal Administrators	5	-	-	5	-	5
	3,479	**-**	**222**	**3,701**	**3,724**	**(23)**
Public Works and Services						
Management services for Rockhill Apartments (grant in kind)	**260**	**-**	**-**	**260**	**260**	**-**
Health and Social Services						
Medical Professional Development	**-**	**-**	**-**	**-**	**50**	**(50)**
Justice						
Aboriginal Court Challenges	40	-	-	40	40	-
Uniform Law Conference	3	-	-	3	4	(1)
Canadian Association of Provincial Court Judges	3	-	-	3	3	-
	46	**-**	**-**	**46**	**47**	**(1)**
Education, Culture and Employment						
Student Grants	8,653	(300)	-	8,353	6,917	1,436
Community Broadcasting	52	-	-	52	66	(14)
Cultural Organizations	8	-	-	8	-	8
	8,713	**(300)**	**-**	**8,413**	**6,983**	**1,430**

Government of the Northwest Territories

Schedule 4
(continued)

Non-Consolidated Schedule of Grants

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Resources, Wildlife and Economic Development						
Fur Price Program	345	-	17	362	358	4
Small Business Grants	287	-	30	317	316	1
Fire Damage Compensation	100	-	25	125	125	-
Disaster Compensation Program	15	-	-	15	9	6
Humane Trap Development	5	-	-	5	-	5
Office space (grant in kind)	-	-	26	26	26	-
	752	**-**	**98**	**850**	**834**	**16**
Total Operations and Maintenance	**$ 13,600**	**$ (227)**	**$ 360**	**$ 13,733**	**$ 12,305**	**$ 1,428**
CAPITAL						
Health and Social Services						
Mine Rescue Building	$ -	$ 454	$ -	$ 454	$ 454	$ -
Total Capital	**$ -**	**$ 454**	**$ -**	**$ 454**	**$ 454**	**$ -**
Total Grants	**$ 13,600**	**$ 227**	**$ 360**	**$ 14,187**	**$ 12,759**	**$ 1,428**

Government of the Northwest Territories

Schedule 5

Non-Consolidated Schedule of Contributions

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Executive						
Executive Offices						
Status of Women Council	$ 270	$ -	$ -	$ 270	$ 270	$ -
Native Women's Association	175	-	-	175	183	(8)
Electoral Boundaries	-	200	(84)	116	116	-
Beaufort - Delta MOU	-	-	50	50	50	-
	445	**200**	**(34)**	**611**	**619**	**(8)**
Financial Management Board Secretariat						
Power Subsidy	4,082	-	-	4,082	4,360	(278)
	4,082	**-**	**-**	**4,082**	**4,360**	**(278)**
Aboriginal Affairs						
Self Government	20	-	-	20	20	-
Aboriginal Organizations	-	-	25	25	45	(20)
	20	**-**	**25**	**45**	**65**	**(20)**
	4,547	**200**	**(9)**	**4,738**	**5,044**	**(306)**
Municipal and Community Affairs						
Municipal Operating Assistance Program	11,635	-	(108)	11,527	11,533	(6)
Block Funding Transfer Payment	6,591	-	491	7,082	7,082	-
Water / Sewer Services Subsidy Program	6,031	-	(500)	5,531	5,428	103
Settlement Operating Assistance Program	2,917	-	(4)	2,913	2,887	26
Community Empowerment Transfers	966	-	18	984	884	100
Transfers - Other Government Departments	660	(148)	(7)	505	505	-
Fire Fighting Training	575	-	(367)	208	167	41
Municipal Equalization Transfer Payments	309	-	(309)	-	-	-
Summer Pool Operating	233	-	(40)	193	193	-
Inuit and Dene Games	61	-	(17)	44	45	(1)
Intercommunity Sport Competition Program	54	-	34	88	97	(9)
	30,032	**(148)**	**(809)**	**29,075**	**28,821**	**254**

Government of the Northwest Territories

Schedule 5
(continued)

Non-Consolidated Schedule of Contributions

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Health and Social Services						
Boards of Management	108,847	2,548	718	112,113	110,932	1,181
Strategic Initiatives Fund	1,500	-	-	1,500	1,564	(64)
Nurses' Supplement	1,500	-	-	1,500	-	1,500
Community Wellness Programs	430	-	217	647	726	(79)
Health Awareness, Activities and Education	143	-	-	143	147	(4)
Medical Professional Development	50	-	47	97	81	16
Recruitment and Retention	-	-	-	-	38	(38)
Community Wellness Program Delivery	-	-	-	-	576	(576)
Translation Services-User Say/Pay	-	-	-	-	10	(10)
	112,470	**2,548**	**982**	**116,000**	**114,074**	**1,926**
Justice						
Legal Aid Clinics	853	-	(144)	709	548	161
Community Justice	734	-	-	734	736	(2)
Victims Assistance	100	-	-	100	100	-
Law Student Bursary	-	-	40	40	30	10
Aurora College - Correction Officer Training	-	-	10	10	10	-
Community Constable Program	-	-	-	-	14	(14)
Civil Law Justice Forum	-	-	-	-	1	(1)
	1,687	**-**	**(94)**	**1,593**	**1,439**	**154**
NWT Housing Corporation	**21,634**	**50**	**-**	**21,684**	**21,497**	**187**
Education, Culture and Employment						
Education Authority	78,929	1,367	-	80,296	80,694	(398)
College Contributions	19,570	-	-	19,570	20,016	(446)
Healthy Children's Initiative	1,582	-	15	1,597	1,571	26
Early Childhood Program	779	-	-	779	737	42
Community Teacher Education Program	673	-	-	673	418	255
Community Income Support Delivery	621	-	-	621	-	621
NWTTA Professional Improvement Fund	502	-	-	502	508	(6)
Language Communities	443	-	-	443	391	52
Literacy Funding	257	-	-	257	285	(28)
Cultural Organizations	239	-	-	239	259	(20)
Community Library Services	192	-	-	192	189	3
NWT Arts Council	141	-	-	141	124	17
Community Museums	115	-	-	115	186	(71)
Dene Language Programming	100	-	-	100	100	-
Native Communications	70	-	-	70	70	-
Cultural Enhancement	42	-	-	42	43	(1)
Northern Performers	39	-	-	39	36	3
Oral Traditions Program	38	-	-	38	29	9
Vocational Rehabilitation for Disabled Persons	27	-	-	27	-	27
Community Skills for Work	-	1,000	-	1,000	877	123
	104,359	**2,367**	**15**	**106,741**	**106,533**	**208**

Government of the Northwest Territories

Schedule 5
(continued)

Non-Consolidated Schedule of Contributions

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Transportation						
Community Local Access Roads	14	-	-	14	-	14
Community Marine	-	-	-	-	20	(20)
	14	**-**	**-**	**14**	**20**	**(6)**
Resources, Wildlife and Economic Development						
NWT Development Corporation	4,111	-	(1,260)	2,851	2,700	151
Business Development Fund	2,329	-	1,784	4,113	4,096	17
Industry Assistance	1,500	-	(1,166)	334	-	334
Community Transfer Initiatives	923	-	70	993	961	32
Community Futures	782	-	196	978	976	2
West Kitikmeot Slave Study	750	-	-	750	340	410
Western Harvester Support Program	739	94	-	833	663	170
Community Harvester Assistance Program	654	-	(186)	468	444	24
Diamond Industry Funding	500	-	(310)	190	-	190
Commercial Fisheries	395	-	(71)	324	299	25
Industry Association Core Funding	279	-	-	279	279	-
Business Credit Corporation	258	-	-	258	78	180
Arctic Energy Alliance	205	-	-	205	195	10
Hook Lake Bison Recovery	125	-	-	125	125	-
Northern Accord	105	-	-	105	50	55
Local Wildlife Committees	76	-	186	262	261	1
Prospectors' Assistance Program	90	-	-	90	69	21
Wildlife Management Boards	78	-	-	78	68	10
Canadian Energy Research Institute	25	-	-	25	25	-
Support to Fur Industry	15	-	10	25	25	-
Dene Cultural Institute	-	-	78	78	77	1
Interim Resource Management Assistance	-	-	375	375	375	-
Gwich'in Social and Cultural Institute	-	-	20	20	20	-
Inuvik Natural Gas	-	-	100	100	100	-
Safety in Bear Country Society	-	-	20	20	20	-
Queens University	-	-	15	15	15	-
Canadian Co-operative Wildlife Health Centre	-	-	10	10	5	5
	13,939	**94**	**(129)**	**13,904**	**12,266**	**1,638**
Total Operations and Maintenance	**$ 288,682**	**$ 5,111**	**$ (44)**	**$ 293,749**	**$ 289,694**	**$ 4,055**

Government of the Northwest Territories

Schedule 5
(continued)

Non-Consolidated Schedule of Contributions

for the year ended March 31, 2000
(thousands of dollars)

CAPITAL	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Municipal and Community Affairs						
Block Funding	$ 4,490	$ -	$ 50	$ 4,540	$ 4,542	$ (2)
Water and Sanitation	1,258	1,791	88	3,137	2,858	279
Public Buildings and Fire Protection	1,082	273	(770)	585	160	425
Mobile Equipment	730	-	(96)	634	631	3
Road / Site / Land	614	-	(439)	175	290	(115)
Community Planning	256	-	(18)	238	192	46
Sport and Recreation	206	618	(211)	613	512	101
	8,636	**2,682**	**(1,396)**	**9,922**	**9,185**	**737**
Health and Social Services						
Primary and Acute Care Programs	**4,500**	-	**(2,095)**	**2,405**	**2,249**	**156**
Justice						
Wilderness Camps	**165**	-	-	**165**	**79**	**86**
NWT Housing Corporation	**21,642**	**3,605**	-	**25,247**	**25,247**	-
Education, Culture and Employment						
Wha Ti Community Learning Centre - furniture and equipment	-	-	14	14	14	-
Mezi Community School - furniture and equipment	-	-	42	42	42	-
Chief Paul Niditchie School - furniture and equipment	-	-	47	47	47	-
Moose Kerr School - furniture and equipment	-	-	98	98	98	-
Ecole Allain St. Cyr - furniture and equipment	-	-	25	25	25	-
	-	-	**226**	**226**	**226**	-
Transportation						
Community Access Roads	480	85	(123)	442	595	(153)
Marine Minor Works	80	-	-	80	51	29
	560	**85**	**(123)**	**522**	**646**	**(124)**
Resources, Wildlife and Economic Development						
Energy Conservation	-	-	**211**	**211**	**188**	**23**
Total Capital	**$ 35,503**	**$ 6,372**	**$ (3,177)**	**$ 38,698**	**$ 37,820**	**$ 878**
Total Contributions	**$ 324,185**	**$ 11,483**	**$ (3,221)**	**$ 332,447**	**$ 327,514**	**$ 4,933**

Government of the Northwest Territories

Schedule 6

Non-Consolidated Schedule of Special Warrants

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Purpose	Date of FMB Approval	Amount Authorized
Executive			
Executive Offices			
	To provide funding to pay legal fees and final settlement payments for all costs incurred during the electoral boundaries court challenge.	30-Oct-99	$ 139
	To provide funding to host a planning conference to support the development of an intergovernmental process and to plan for an Intergovernmental Forum.	20-Dec-99	50
Financial Management Board Secretariat			
	To provide funding for additional expenses associated with pension plan repatriation work.	20-Dec-99	215
	To fund additional expenses associated with collective bargaining and related initiatives.	22-Dec-99	242
Finance			
	To provide funding for the increase in anticipated interest costs of short-term borrowing to meet Government financial commitments.	20-Dec-99	1,120
Total Operations and Maintenance			$ 1,766
CAPITAL			
Northwest Territories Housing Corporation			
	To provide funding for : the three month extension of the Minimum Down Payment Assistance Pilot Project ($2.59 million); Independent Housing and Repair programs in Fort Liard ($250k); construction of two independent housing units in Tulita ($265k); and the Private Home Owner Piling Repairs Initiative - Inuvik ($500k).	20-Dec-99	$ 3,605
Education, Culture and Employment			
	To transfer funding from Operations and Maintenance appropriations for the completion of the PWK High School renovation in Fort Smith.	17-Nov-99	300
Total Capital			$ 3,905

Government of the Northwest Territories

Schedule 7

Non-Consolidated Schedule of Inter-activity Transfers over $250,000

for the year ended March 31, 2000
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Transfer to (from)	Explanation
Municipal and Community Affairs		
Community Development	150	Transfer of funding between Divisions and Regions, to enable the department to meet departmental priorities and the commitment to lapse funds for the GNWT economizing measures.
Community Operations	(305)	
Regional Operations	(35)	
School of Community Government	100	
Corporate Affairs	45	
Directorate	127	
Community Governance and Financial Services	(82)	
Public Works and Services		
Asset Management	(606)	Activity transfer - Economizing Measures net savings exercise.
Directorate	489	
Technical Support	(301)	
Systems and Communications	49	
Systems and Communications	(176)	
Asset Management	(33)	
Directorate	578	
Health and Social Services		
Directorate and Corporate Services	(1,248)	Funding for Hay Plan Job Evaluation / Boards.
Primary and Acute Care Programs	1,248	
Directorate and Corporate Services	755	Funding for Canadian Blood Services and Public Works and Services' Chargebacks.
Health Insurance Programs	(755)	
Primary and Acute Care Programs	1,300	Funding for 1998/99 Hay Plan Job Evaluation, Nurses and Social Workers positions - Boards.
Community Health Programs	(1,300)	
Community Health Programs	325	Funding for southern placements / adults.
Health Insurance Programs	(325)	
Resources, Wildlife and Renewable Resources		
Resource Management and Economic Development	1,117	User Pay / User Say maintenance.
Corporate Management	(1,117)	

Government of the Northwest Territories

Schedule 8

Non-Consolidated Schedule of Debenture Loans Receivable from Municipalities (Summary)

for the year ended March 31, 2000
(thousands of dollars)

	Original Amount	Principal Balance April 1, 1999	New Loans	Principal Repayments	Principal Balance March 31, 2000
Municipality of Fort Smith	2,765	2,689	-	16	2,673
Municipality of Fort Simpson	353	277	-	34	243
Municipality of Inuvik	4,191	2,709	-	290	2,419
Municipality of Norman Wells	1,023	786	-	631	155
	$ 8,332	**$ 6,461**	**$ -**	**$ 971**	**$ 5,490**

Government of the Northwest Territories

Schedule 8
(continued)

Non-Consolidated Schedule of Debenture Loans Receivable from Municipalities

for the year ended March 31, 2000
(thousands of dollars)

	Year of Maturity	Interest Rate	Original Amount	Principal Balance April 1, 1999	New Loans	Principal Repayments	Principal Balance March 31, 2000
Municipality of Fort Smith							
43 Personal care facility, Amalgamation of debentures #39 and #41	2026	11.27	2,765	2,689	-	16	2,673
			2,765	**2,689**	**-**	**16**	**2,673**
Municipality of Fort Simpson							
6 Fire hall addition; refinance debenture #5	2006	9.00	136	89	-	9	80
7 Fire truck and alarm system	2008	9.00	67	49	-	4	45
8 Wildrose Acres sub-division	2007	6.50	150	139	-	21	118
			353	**277**	**-**	**34**	**243**
Municipality of Inuvik							
5 Town hall / fire hall	2000	9.00	350	36	-	36	-
33 Refinance previous debentures	2005	8.25	944	468	-	92	376
34 Refinance previous debentures	2010	8.34	1,657	1,083	-	101	982
35 Recreation centre	2007	7.30	400	341	-	31	310
36 Recreation centre completion	2012	8.05	690	635	-	26	609
37 Recreation centre completion	2017	7.80	150	146	-	4	142
			4,191	**2,709**	**-**	**290**	**2,419**
Municipality of Norman Wells							
6 MacKenzie Drive Road upgrade; refinance	2010	9.00	183	150	-	150	-
8 Refinance previous debentures	2011	8.25	490	411	-	411	-
9 Residential subdivision	2001	7.40	350	225	-	70	155
			1,023	**786**	**-**	**631**	**155**
			$ 8,332	**$ 6,461**	**$ -**	**$ 971**	**$ 5,490**

Schedule of Other Long-term Receivables

for the year ended March 31, 2000
(thousands of dollars)

	Principal Balance April 1, 1999	New Loans	Principal Repayments	Principal Balance March 31, 2000
Agreements for Sale	$ 228	$ -	$ 40	$ 188

Government of the Northwest Territories

Schedule 10

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2000

ACCOUNTS RECEIVABLE WRITTEN OFF

Executive	
Executive Offices	
Metis Local 77	$ 500
Financial Management Board Secretariat	
Saint, J.	2,429
	2,929
Finance	
Dolittle Services Ltd.	1,575
Munro, Tanis	2,084
Orca Interior Systems	751
	4,410
Heath and Social Services	
Castle , R.	800
Evans, R.	2,438
Gardiner, J.	1,676
Gibot, J.	1,497
Hann, G.	878
Hawk, J.	528
Williams, W.	1,148
	8,965
Justice	
Ukuqtunnuaq, J.	7,864
	7,864
Education, Culture and Employment	
Collier, R.	1,037
Larabie, D.	7,225
	8,262
Transportation	
Wagner Transport	648
	648
Total Accounts Written Off Over $500	33,078

All Departments - Other Miscellaneous Accounts Less Than $500	7,385
Student Loan Interest Written Off	18,164
Accounts Forgiven,Not Previously Written Off 1999 / 2000 Forgiveness	1,066
Total Accounts Written Off	59,693
Student Loan Fund	
Aissaoui, A.	2,848
Billotsoton, G.	5,000
Bowden, R.	3,579
Bugg, S.	1,600
Crate-Thomas, J.	7,713
Cross, D.	6,268
Elliott, D.	3,119
Firth, G.	938
Gray, A.	5,655
Greenidge, D.	12,370
Knight, D.	7,265
MacLeod, K.	2,460
O'Byrne, R.	2,200
Walters, R.	2,150
Total Loans Written Off	63,165
Total Accounts and Loans Written Off	$ 122,858

FORGIVENESS

Accounts Forgiven, 1999 / 2000 Forgiveness	1,066

Government of the Northwest Territories

Schedule 10
(continued)

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2000

STUDENT LOAN REMISSIONS

Under the Student Financial Assistance Regulations, the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic and the employment or residency criteria, have qualified and been granted remission of their loans.

Adkins, Gabriele	$	2,123
Ambrose, Clint		1,755
Amos, Beverly		2,500
Amrow, Kenneth Shep		1,257
Anderson, Wanda		1,736
Arabski, Ana		1,173
Arey, Mayvis		1,738
Archie, Verna		1,812
Armstrong, Brian		1,631
Arthur, Janet		2,538
Ashton, Scott		2,312
Ashton, Toderick		1,923
Auge, Bryan		3,357
Babiuk, Maurica		1,783
Barnes, Deborah		1,230
Barnes, Keith		2,587
Beck, Lewis		1,623
Bell, Erica		4,008
Belyea, Jennifer		2,054
Bergman, Jennifer		1,862
Bertolini, Alex		2,747
Bevington, Nicholas		2,329
Blesse, Di Ann		2,713
Blondin-Forrest, Evelyn		1,382
Boado-Ramirez, Asuncion		2,521
Bouchard, Robert		1,117
Boulanger, Margaret		2,312
Bourassa, Christopher		1,132
Bourque, Mary		5,751
Brissette, Niconara		1,829
Brown, Candace		6,600
Brown, Ralph		1,765
Burr, Wendy		4,400
Campbell, Jessie		2,558
Campbell-Rogers, Paula		2,200
Carroll, Sharla		1,239
Charlie, Annie		2,862
Chassie, Karen		1,220
Chueng, Linda		2,349
Clelland, Rhonda		1,308
Cluderay, Alison		2,837
Cockney, Evelyn		1,988
Collins, Hazel		1,697
Comin, Wade		1,738
Costhace, Monty		1,808
Cottam, Marlene		3,612
Cran, Rick		2,373
Crant, Kevin		2,349
Crawford, Barbara		1,164
Croizier, Mari		2,500
Curran, Eletha		2,414
Curran, Peter		2,054
Cutten, Murray		1,886
Davey, Pamela (MacLellan)		1,587
Davidson, Emily		2,600
Day, Clara		2,131
Dean, Shaun		2,447
Deans, Tyler		2,857
Deborgorski, Curtis		4,120
Delorey, D'Arcy		1,898
Desjarlais, Michelle		1,997
Dexter, Alison		865
Dexter, Andrew		1,234
Doyle, Marie		2,140
Drescher, Michael Sr.		2,074
Drinnan, Siubhan		1,525
Dumond, Camille		1,620
Dumont, Melanie		1,939
Dunn, Kevin		2,166
Edgson, Melodie (Trytten)		1,923
Edwards, Gladis		2,074
Ekenale, Alma		731
Elief, Freda		914
Elkin, Derek		1,895
Emaghok, Georgina		2,021
Erasmus, Che		783
Eskelson-Minault, Roslind		585
Evans, Sylvie		1,788
Eyakfwo, Celine		2,173
Falconer, Melody		2,128
Fandrick, Amber		634
Fillatre, Gerald		2,599
Fillion, Darren		1,738
Forbes, Tommy		2,192
Forget, Gisele		1,832
Fowler, Sean		1,446
Gagnier, Monique		1,321
Gallagher, Lisa		2,345
Gamble, Samuel		1,794
Gau, Robert		972
Goudie, Travis		1,142
Goudreau, Simone		692
Green, Paul		2,816
Greenland, Angela		1,697
Griffore, Tanya		631
Grundy, Paul		952
Guinan, Derran		1,730
Gunn, Libby		621
Hache, Ivan		2,200
Haller, Lance		1,730
Hamer, Coralee		980
Hamilton, Lisa		1,049
Hamm, Nicole		2,582
Handley, Patricia		4,103
Hart, Robert		2,365
Hartery, Keith		1,988
Hartop, Jason		1,222
Hauff, Tara		3,013
Hawick, Margaret		650
Hawkins, Robert		3,497
Henderson, Colin		2,464
Helyar, Maurice		1,600
Hicksy, Norma		1,840
Hilliard, Sheila		1,977
Hodgkins, Sarah		1,488
Hogan, Bernard		1,890
Holmes, Naomi		1,021
Hopkins, Margo		2,038
Houweling, Michelle		1,656
Howden, Laura		873

Government of the Northwest Territories

Schedule 10
(continued)

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2000

STUDENT LOAN REMISSIONS (continued)

Howie, Jason	2,115
Hunt, Christopher	1,247
Hval, Lucas	2,772
Irani, Gloria	3,516
Irlbacher, Karoline	1,615
Jacobson, Jenny	1,878
Jardine, Kathryn	3,200
Johnson, Karen	1,890
Johnston, Tracy	1,230
Jones, Adrienne	2,255
Jones, Leslie Ann	3,488
Jonkisz, Barbara	1,673
Joss, Sadie	1,832
Kaeser, Christina	2,173
Kay, Ruth	1,903
Kelleher, Sarah	1,096
Kelly, Marie	2,230
Kemeys-Jones, Shirley	2,615
Keppel, Richard	2,964
Kunst, Sandy	1,074
Kupeuna, Rosie	2,071
LaFoy, Bradley	2,159
Lagore, David	1,714
Lamalice, Doug	4,548
Langlois, Colette	2,255
Laws, Ian	2,054
Lehmann, Cameron	2,414
Lehmann, David	2,008
Leishman, Jeffry	2,173
Lennie, Gloria	2,000
Li, Mui Hui	857
Lyons, Andrea	884
Lyons, Bette	7,788
MacDonald, Erin	4,156
MacEachern, Camilla	3,886
MacInnis, Susan	2,194
Mackie, Judy	524
MacPhee, Kathy	2,041
MacPherson, Craig	2,562
Mandeville, Wendy	1,207
Mantla, Alestine	2,062
Mantla, Rita	7,500
Mantla, Theresa	2,238
Marchiori, Dennis	2,148
Marinic, Anna	2,398
Marlowe, Evelyn	2,181
Mathison, Jeannie	2,239
Maw, Lester	2,469
McCagg, Heather	2,395
McCowan, Wayne	873
McGregor, Fiona	2,181
McIsaac, Francis	1,775
McOuat, Karen	1,266
Menzies, Jennifer	1,936
Mercredi, Kenneth	3,200
Michetti, Catherine	2,500
Migwi, Cecilia	3,423
Miller, Mary Beth	1,025
Moisan, Pascal	1,615
Monchuk, David	2,329
Moore, Lynette	2,722
Morton, Kip	1,865
Moss, Sophie	1,687
Mulders, Annemieke	1,664
Munro, Kirsten	1,832
Nind, Ben	3,038
Munro, Larry	2,058
Murphy, Melanie	1,832
Naidu, Ashreena	910
Nitsiza, Marie	1,689
Northrop, Christie	1,447
Oliktoak, Mollie	1,804
Olsen, Shari	1,824
O'Rourke, Rochelle	1,366
Osted, Poul	1,605
Pandke, Jeffrey	1,500
Pascal, Olive	2,112
Peffer, Susan	5,382
Pelechaty, David	2,148
Perry, Colette	3,021
Peterson, Amanda	1,944
Phillips, Lynne	2,200
Philipot, Darha	1,008
Pollock, Michael	1,628
Quiring, Annette	1,533
Rabesca, Alice	2,222
Ramos, May	2,266
Reddy, Tina	2,988
Rennie, John	2,074
Ridgely, Melanie	1,763
Rieger, Chrystal	2,099
Roberts, June	1,906
Robinson, Craig	1,906
Rogers, Lena	2,758
Romie, Diane	997
Rooke, Ilene	2,200
Rose, Kent	3,109
Rowe, Michael	3,200
Ruben, Irene	7,500
Schauerte, Gary	1,997
Scott, Kelsey	988
Semjanovs, Roslyn	1,947
Sever, David	1,634
Shea, Cherie	5,857
Simms, Robert	2,131
Slifka, Cara	1,500
Slugget, Michael	7,455
Smith, David Bruce	923
Smith, Ed	634
Smith, Jana	1,164
Snyder, Alana	2,041
Soucy, Ofelia	2,738
Speight, Beverly	923
Stevens, Lee-Anne	2,558
Stewart, Andrew	1,123
Stewart, Scott	2,865
Stokes, Brenda	1,250
Strain, Darin	3,324
Strain, Ryan	2,923
Tautenhahn, Gary	4,689
Thorburn, Tracey-Lynn	3,878
Tolentino, Joselito	1,266
Tolley, Charles	2,173
Tordoff, Rodney	1,914
Tricoteux, Andre	557
Turner, David	2,197
Tutton, Wayne	1,750
Tweed, Jennifer	1,398

Government of the Northwest Territories

Schedule 10
(continued)

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2000

STUDENT LOAN REMISSIONS (continued)

Vail, Roger	1,799	Williams, Tamara	3,200
Vandale, Linda	2,164	Willier, April	2,025
Vanonen, Robert	1,423	Willoughby, Scott	1,857
Varkonyi, Joe	582	Wood, Melissa	2,156
Varkonyi, Nini	1,664	Woodburn, Thomas	1,808
Veerman, Chris	1,486	Young, Diana	3,200
Vivian, Krista	1,222	Zoe-Chocolate, Mary	3,533
Wagner, Erin	1,988	**Total Loan Remissions over $500**	**574,546**
Walker, Valoree	579		
Ward, Terra	2,623		
Warsame, Victoria	1,205		
Water, Elizabeth	2,362	**Miscellaneous Remissions under $500.**	5,227
Watson, Angela	2,200		
White, Thomas	1,164		
Williams, Martha	2,337	**Total Loan Remissions**	$ 579,773

STUDENT LOANS REMITTED ON DEBTS DUE TO DEATH, BANKRUPTCY, OR NEGOTIATED SETTLEMENT

(may include interest)

Barber, Katherine	$ 21,445
Gamble, Jennifer	7,666
Farguson, Richard	1,574
Ha, L.	4,287
Holmes, A.	4,385
Horn, J.	4,301
LeBlanc, S	10,847
Lemoel, S	17,850
McKay, H	13,475
Shore, A	4,531
Total	$ 90,361

Non-Consolidated Schedule of Inventory Write-offs and Deletions over $500

for the year ended March 31, 2000

Petroleum Products	$	143,720

Government of the Northwest Territories

Schedule 12

Non-Consolidated Schedule of Recoveries of Debts and Student Loans Previously Written Off

for the year ended March 31, 2000

Legislative Assembly	
Wowk, Timothy	$ 14
	14

Finance	
Kringayark, Brenda	143
	143

Municipal and Community Affairs	
Bayha, Stella	57
Beaulieu, Archie	75
Gonet, John	100
Senych, William Estate of	250
Vital, Freddy	656
Weyallon, Leon	30
	1,168

Public Works and Services	
Allied Paper Services	39
Binette, Patrick	522
Bourque, Robert	39
Bro-Dart of Canada	36
Clark, Dale	166
Henderson, Everdina	19
Menioche-Moses, Lorraine	485
Northwest Company	32
Novalinga, Moses Sr.	107
Tuccaro, Beverly	127
	1,572

Health and Social Services	
Atagootak, Lootie	258
Baetz, Penelope	200
Bourke, Donald	21
Gray, John	200
Green, Rita	664
Haggett, Robert	1,151
Haley, Cindy M.	100
Kakfwi, Mavis	100
Poitras, Dawan Lynn	150
Pilgrim, Kevin	100
Qaunaq, Martha	50
Sibbeston, Michael	53
Teed, Trevor	100
Wiedemann, Heather	19
	3,166

Justice	
Beaverho, Archie	40
Bertrand, Eric	13
Corrigal, Mary	100
Hayward, Troy	72
Josephie, Lyta	250
Maranda, Patrick	100
Rogers, Diane	74
Vachon, Roxanne	707
	1,356

Education, Culture and Employment	
Beaulieu, Philip August	118
Campbell, Ernie	28
Cook, Timothy James G.	51
Desjarlais, Dorothy	2
Gargan, Albert	466
Gray, John	136
Hall, Tracey	416
Heron, Joseph	(100)
Kilabuk, Noah	200
Lantz, Angeline	150
Lucas, Roger	300
Marlowe, Frank	13
Minoza, Gabriel	400
Modeste, Andrew	235
Tuccaro, Raylene Dawn	450
Williams, Andrew D.	213
	3,078

Resources, Wildlife and Economic Development	
Beaulieu, Archie	53
Beaver, James	137
Blake, Fred A. Jr.	37
Bourke, Donald C.	35
Calumet, Henry	11
Causa, John	11
Kenny, Rocky	118
Komangapik, Panikpak	600
Kusgak, Lorna	12
Mantla, Helen	3
Mantla, Johnny	57
Minoza, Gabriel	150
Nuttal, David	82
	1,306

Total Debts Recovered	$ 11,803

Student Loan Fund	
Dunford, Gary	$ 3,578
Dyck, Carol Ann	750
Goose, Leanne Maidie	675
Irquit, David	450
Kilabuk, Noah	400
Lantz, Angeline	41
McKay, Michelle Therese	830
Oliver, Gerald Alexander	582
Ryan, Cynthia	10,000
Stewart, Kurt Alexis	50
Wanderingspirit, Frederick Andrew	174
Wilson, Erin Marie	53
	17,583

Total Student Loans Recovered	$ 17,583

Government of the Northwest Territories

Schedule 13

Non-Consolidated Schedule of Overdue Travel Advances

as at March 31, 2000

Overdue travel advances represent travel advances which have not been accounted for by an expense claim within 10 working days of the return date given on the travel authorization.

Education, Culture and Employment	
Lenoir, Martha	$ 100
	100
Resources, Wildlife and Economic Development	
Lancaster, Terrance	1,000
Matthews, Dougals	875
McGowan, Wayne	250
Murphy, Robert	1,300
Zubko, Cameron M.	3,000
	6,425
Total Overdue Travel Advances	$ 6,525

Government of the Northwest Territories

Schedule 14

Non-Consolidated Schedule of Lease Commitments

for the year ended March 31, 2000
(thousands of dollars)

		2001	2002	2003	2004	2005	2006-2018	Total
Yellowknife	Commercial	$ 6,876	$ 5,806	$ 5,334	$ 4,953	$ 4,097	$ 14,674	$ 41,740
	Residential	298	279	279	279	278	1,112	2,525
		7,174	**6,085**	**5,613**	**5,232**	**4,375**	**15,786**	**44,265**
Fort Smith	Commercial	1,420	960	645	550	551	4,779	8,905
	Residential	-	-	-	-	-	-	-
		1,420	**960**	**645**	**550**	**551**	**4,779**	**8,905**
Inuvik	Commercial	812	729	564	500	389	3,176	6,170
	Residential	410	410	410	410	409	3,482	5,531
		1,222	**1,139**	**974**	**910**	**798**	**6,658**	**11,701**
		$ 9,816	**$ 8,184**	**$ 7,232**	**$ 6,692**	**$ 5,724**	**$ 27,223**	**$ 64,871**

Government of the Northwest Territories

Schedule 15

Non-Consolidated Schedule of Guarantees and Indemnities

for the year ended (thousands of dollars)	March 31, 2000	April 1, 1999
Loans payable by the Northwest Territories Housing Corporation to Canada Mortgage and Housing Corporation and Canada	$ 28,700	$ 29,100
Sinking fund debentures issued by the Northwest Territories Power Corporation		
a) maturing March 9, 2009	20,000	20,000
b) maturing June 6, 2011	15,000	15,000
c) maturing May 28, 2012	20,000	20,000
d) maturing May 12, 2014	20,000	20,000
e) maturing October 27, 2018	10,000	10,000
f) maturing February 27, 2026	20,000	20,000
Debenture series issued by the Northwest Territories Power Corporation		
a) maturing May 1, 2025	7,714	7,779
b) maturing October 1, 2025	7,733	7,797
c) maturing September 1, 2026	8,751	8,823
Loans payable by the Northwest Territories Power Corporation	18,000	10,000
Guarantee of operating line of credit	7,000	7,000
	$ 182,898	**$ 175,499**

Government of the Northwest Territories

Schedule 16

Non-Consolidated Schedule of Projects for Canada, Nunavut and Others - Expenditures Recovered

for the year ended March 31, 2000

Legislative Assembly	
Millennium - Capital Site	$ 50,796
Nunavut Election	38,238
Official Languages	25,000
	114,034
Executive	
Executive Offices	
Official Languages	1,591
	1,591
Financial Management Board Secretariat	
Equal Pay Litigation	1,607,920
Labour Relations and Compensation - Nunavut Government	189,031
French Languages	3,219
	1,800,170
Ministry of Aboriginal Affairs	
Secondments	335,075
Interchange Canada Agreement	239,066
Gwich'in Land Claims	117,790
Secretariat	109,700
Sahtu Land Claims	85,453
French Languages	374
	887,458
	2,689,219
Finance	
Nunavut Contracts	2,136,203
Housing Needs Survey	175,000
French Languages	1,726
	2,312,929
Municipal and Community Affairs	
Commissioner , Land Administration	173,266
Search and Rescue	172,882
Band Managers	120,000
Land Surveying and Administration	105,042
Service Canada	56,196
Marine Repeaters Great Slave Lake	52,000
Inuvialuit Land Claim (West)	47,458
Secondment	22,221
Interprovincial Sport and Recreation	20,000
Official Languages	3,422
Gwich'in Land Claim	1,933
Sahtu Land Claim	800
	775,220

Government of the Northwest Territories

Schedule 16
(continued)

Schedule of Projects for Canada, Nunavut and Others
- Expenditures Recovered

for the year ended March 31, 2000

Public Works and Services

Secondments	562,914
Aurora College (West)	513,232
Asset Management Support Services	344,544
Inuvik Regional Hospital	277,169
Beaufort / Delta Divisional Board	92,252
French Language Services	79,000
Petroleum Products Division Services - Government of Nunavut	45,665
Nishi Khon Upgrade	42,620
Nunavut Incremental Infrastructure - Government of Nunavut	30,047
Records Agreement - Government of Nunavut	2,197
Public Works and Government Services Technical Services	2,000
	1,991,640

Health and Social Services

Hospital Insurance and Health and Social Services Administration	5,840,000
Brighter Futures	3,161,401
Nunavut Services Agreement	446,873
Canada Pre-natal Nutrition	430,701
Northern Native Alcohol and Drug Addiction Program	259,589
French Language Services	187,196
Brighter Futures - Program Management	106,819
Health Transition Fund - Continuing Care and Placement	72,000
Federal Initiatives	13,092
	10,517,671

Justice

Legal Aid Administration - Nunavut	2,651,402
Exchange of Services (Adult / Youth)	2,522,247
Legal Registries Administration - Nunavut	547,505
Official Languages - French	444,828
Court Services - Nunavut	230,893
Statute Revision Project	192,035
Public Trustee - Nunavut	158,719
Coroners - Nunavut	135,284
Maintenance Enforcement - Nunavut	118,577
Corrections Offender Management System	96,400
Child Support Guidelines	93,000
Estates Clerk	74,150
Labour Services - Nunavut	67,905
Maintenance Enforcement Program Computer System	52,000
Legal Services for NWTHC	50,000
NWT Law Foundation Web Publisher	48,000
Labour Standards Board - Nunavut	38,797
Sahtu Land Claims	26,000
NWT Law Foundation	25,000
Law Society of the NWT	20,000
Community Mobilizaiton Initiative	16,215
Gwich'in Land Claims	15,000
RCMP - Yelowknife 50th Street Project	9,690
	7,633,647

Government of the Northwest Territories

Schedule 16
(continued)

Schedule of Projects for Canada, Nunavut and Others - Expenditures Recovered

for the year ended March 31, 2000

Education, Culture and Employment

Labour Market Development Agreement	5,969,461
Student Financial Assistance	2,006,547
Aboriginal Languages	1,290,168
Secretary of State French	1,050,792
Ecole Alain St. Cyr	1,050,000
Sir John Franklin High School Retrofit	1,050,000
Income Support	984,864
Translation and Interpretation	794,247
University College Entrance Program	474,830
Apprenticeship	371,158
Information Systems Support	350,642
Library Services	320,233
Museums and Archives Collections	146,723
Industry Canada	120,000
Student Records	94,865
Principal Certification	79,726
Teacher Certification	77,851
Student Loans Collections - Interest	75,234
Archaeological Database Integration	74,083
Co-ordination of School Resources	63,629
Exhibit Upgrading	52,950
Millennium Scholarship - Post Secondary Student	40,000
Gwich'in Land Claim	31,917
Grass Roots Program - InfoNetworks	21,900
Archives Conservation Project	21,399
CBC Radio Audio Materials	20,768
Territorial Archives Backlog	17,000
Sahtu Land Claim	16,190
Land Use Applications	7,189
Review of Arts Program	6,827
Collections Management Assistance	6,015
Archaeology Assistant	5,654
Young Canada Works	2,303
	16,695,165

Transportation

Community Aerodrome Radio Services	2,424,278
Coast Guard Minor Works	316,735
National Safety Code	128,985
Small Boat Safety Program	100,000
Motor Vehicles - Government of Nunavut	98,143
Kerchiffer River Bridge	75,000
Alberta Road Maintenance	68,956
Safety and Public Affairs	49,460
French Language Services	16,958
Sahtu Land Claims	13,000
Hay River Corridor Maintenance	11,459
	3,302,974

Government of the Northwest Territories

Schedule 16
(continued)

Schedule of Projects for Canada, Nunavut and Others
- Expenditures Recovered

for the year ended March 31, 2000

Resources, Wildlife and Economic Development

Inuvialuit Land Claim Implementation	2,781,379
Nunavut Chargeback Agreements	331,351
Sahtu Land Claim Implementation	153,090
Sahtu Geographic Information System Project	87,097
West Kitikmeot Slave Study - Bathurst Caribou	135,924
Gwich'in Land Claim Implementation	131,091
World Wildlife Fund - Wolf Study	10,000
Arctic Energy Strategy Community Based Monitoring	42,500
Protected Areas - Geographic Information System	40,000
Sahtu Banding Project	27,305
Arctic Energy Strategy - Caribou Contaminants	24,600
Climate Change Action Fund - Greenhouse Gas Study	92,478
West Kitikmeot Slave Study - Habitat / Vegetation Classification	73,000
Secondment	62,706
Bison Control Program	42,099
Caribou Resilience Model Development	35,000
Fuel Cache Recovery	35,000
Beaufort Delta Education Council Y2K Project	6,000
French Language Services	3,141
	4,113,761
Total	**$ 50,146,260**

SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS

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Aurora College

Financial Statements

for the year ended
June 30, 2000

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AURORA COLLEGE

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements of the Aurora College ("the College") and all information in this annual report are the responsibility of the College's management and have been reviewed by the Board of Governors. The financial statements have been prepared in accordance with generally accepted accounting principles. Management's best estimates and judgements have been used in the preparation of these statements, where appropriate. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, and proper records are maintained. These controls and practices ensure the orderly conduct of business, the accuracy of accounting records, the timely preparation of reliable financial information and the adherence to the College's policies and statutory requirements.

The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Finance Committee of the Board, which is composed of a majority of Members who are not employees of the College. The Finance Committee meets regularly with management and the external auditors have full and free access to the Finance Committee.

The College's external auditor, the Auditor General of Canada, audits the financial statements and issues his report thereon to the Minister of Education, Culture and Employment.

Maurice Evans	Edith Weber
President	Bursar/Chief Financial Officer

Fort Smith, Canada
September 1, 2000

AUDITOR'S REPORT

To the Minister of Education, Culture and Employment
Government of the Northwest Territories

I have audited the balance sheet of the Aurora College as at June 30, 2000 and the statements of operations and equity and cash flow for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an audit opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the College and the financial statements are in agreement therewith and the transactions of the College that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* and regulations, the *Public Colleges Act* and regulations and by-laws of the College.

Sheila Fraser, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
September 1, 2000

AURORA COLLEGE

BALANCE SHEET
as at June 30, 2000
(thousands of dollars)

	2000	1999
ASSETS		
Current assets		
Cash	$ 3,569	$ 661
Accounts receivable (Note 3)	1,177	2,387
Prepaid expenses	22	42
	4,768	3,090
Capital assets (Note 4)	**2,574**	2,816
	$ 7,342	$ 5,906
LIABILITIES		
Accounts payable and accrued liabilities	$ 1,421	$ 1,112
Employee leave liability	819	828
Due to the Government of the Northwest Territories	880	446
Deferred revenue	222	122
Deferred capital contributions	25	77
Professional development fund (Note 5)	294	168
Employee termination benefits	949	1,009
	4,610	3,762
EQUITY (Note 6)	**2,732**	2,144
	$ 7,342	$ 5,906
Commitments (Note 9)		

Approved by the Board:	Approved by Management:
Earl Jacobson Chairperson of the Board	Maurice Evans President
Tom Hoefer Chairperson of the Finance Committee	Edith Weber Bursar/Chief Financial Officer

The accompanying notes are an integral part of the financial statements.

AURORA COLLEGE

STATEMENT OF OPERATIONS AND EQUITY
for the year ended June 30, 2000
(thousands of dollars)

	2000	1999
REVENUE		
Government contributions (Note 7)	$ 20,710	$ 20,248
Project Income	4,023	4,408
Tuition fees	1,337	1,099
Room and board	646	576
Investment income	276	110
Other	893	735
TOTAL REVENUE	**27,885**	27,176
EXPENSES		
Salaries, wages and benefits	15,086	14,469
Contract services	6,062	5,623
Materials and supplies	2,130	1,845
Utilities	1,171	1,723
Fees and payments	978	1,164
Travel and accommodation	970	915
Communication, postage and freight	530	509
Amortization	370	446
TOTAL EXPENSES	**27,297**	26,694
NET SURPLUS	**588**	482
EQUITY AT BEGINNING OF YEAR	**2,144**	1,662
EQUITY AT END OF YEAR	**$ 2,732**	$ 2,144

The accompanying notes are an integral part of the financial statements.

AURORA COLLEGE

CASH FLOW STATEMENT
for the year ended June 30, 2000
(thousands of dollars)

	2000	1999
Cash flows from operating activities		
Net surplus	$ 588	$ 482
Non-cash transactions:		
Gain on disposal of mobile equipment	(18)	(46)
Amortization of deferred capital contribution	(52)	(51)
Amortization	370	446
	888	831
Changes for non-cash working capital		
Decrease (increase) in accounts receivable	1,210	(667)
Decrease in prepaid expenses	20	117
Increase (decrease) in accounts payable	309	(272)
Increase (decrease) in employee leave liability	(9)	162
Increase (decrease) in amount due to the Government of the Northwest Territories	434	(493)
Increase (decrease) in employee termination benefits	(60)	162
Increase (decrease) in professional development fund	126	(21)
Increase in deferred revenue	100	115
	2,130	(897)
Cash generated from (applied to) operating activities	3,018	(66)
Cash flows from investing activities		
Proceeds from sale of equipment	18	69
Acquisition of capital assets	(128)	(47)
Cash generated from (applied to) investing activities	(110)	22
Net increase (decrease) in cash	2,908	(44)
Cash at beginning of year	661	705
Cash at end of year	$ 3,569	$ 661

The accompanying notes are an integral part of the financial statements.

1. AUTHORITY AND MANDATE

The Aurora College operates under the authority of the Public Colleges Act. The College is a Schedule B Public Agency as listed in the Financial Administration Act of the Northwest Territories.

Under a contribution agreement with the Government of the Northwest Territories (the Government) dated January 25, 1995, the College receives contributions for its operations and capital requirements for the administration and delivery of its adult and post-secondary education programs. Under the terms of this agreement, the College is allowed to retain all surpluses and is responsible for all deficits.

Aurora College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the Northwest Territories. The programs are directed specifically to the northern environment and the needs of individual northerners, the workforce and northern communities. To accomplish this, courses and services are delivered at campuses and communities in the Northwest Territories. Through the work of the Aurora Research Institute, the College is also responsible for the facilitation and preparation of research activity in the region.

The College is exempt under Section 149 of the Income Tax Act from payment of income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles. A summary of significant accounting policies follows:

a) Capital assets

Capital assets transferred to the College from the former Arctic College and the Science Institute of the Northwest Territories, effective January 1, 1995, were recorded at the fair market value at that date, determined as the original cost less accumulated amortization, or estimated market value. Subsequent acquisitions are recorded at cost. Capital assets are amortized over their estimated remaining lives on a straight-line basis at the following annual rates:

Furniture and equipment	20 - 40%
Mobile equipment	10 - 33.33%
Leasehold improvements	10 - 33.33%
Building additions and renovations	5%

b) Deferred revenue

Deferred revenue represents payments received under contract for which the development and delivery of programs has not been completed. These amounts are recorded in income as obligations are fulfilled.

c) Employee termination benefits

On termination of employment, employees are entitled to benefits provided for under their terms of employment. The liability for these benefits is recorded as the benefits accrue to the employees.

d) Government contributions and deferred capital contributions

Contributions from the Government are the amounts set out in the Government's Main Estimates, as adjusted by supplementary appropriations, and represent the majority of the funding for the College to cover its expenses. Contributions for operating expenses are recognized on the statement of operations and equity in the College's fiscal year for which it is approved. Contributions for depreciable capital assets are deferred and amortized on the same basis and in the same periods as the underlying capital assets.

e) Project income

The College provides education and research services to outside parties through contractual arrangements. Project income is deferred and recognized in the year in which the related expenses are recognized.

f) Investment income

The College earns investment income through an agreement whereby the Government invests the College's available cash balances. The nature of this agreement is such that the College is not exposed to any credit risk or potential for loss of capital. Investment income is recorded in the year it is earned.

g) Contract services

Contract services are acquired by the College through contractual arrangements. They include printing services, advertising, building and equipment repairs, software development, curriculum development, food service contracts, janitorial contracts, instruction contracts, leases and rental agreements. These amounts are charged as an expense in the year the service is used.

h) Pension plan

Employees of the College participate in the Public Service Superannuation Plan administered by Canada. The employees and the College contribute equally to the cost of the plan. The College's contributions are charged as an expenditure on a current year basis, and represent the total pension obligations of the College. The College is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

3. ACCOUNTS RECEIVABLE

	2000 (thousands of dollars)			1999
	Accounts Receivable	Allowance	Net	Net
Government contributions	$ -	$ -	$ -	$1,362
Project income				
- Government	383	4	379	455
- Other	783	117	666	455
Students	346	225	121	103
Advances	11	-	11	12
	$ 1,523	$ 346	$ 1,177	$ 2,387

3. ACCOUNTS RECEIVABLE (continued)

All receivables are currently due and the fair value of these receivables approximates their carrying value.

4. CAPITAL ASSETS

	2000 (thousands of dollars)			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	$ 594	$ 469	$ 125	$ 101
Mobile equipment	1,140	826	314	389
Leasehold improvements	700	307	393	484
Building additions and renovations	1,991	249	1,742	1,842
	$ 4,425	$ 1,851	$2,574	$2,816

5. PROFESSIONAL DEVELOPMENT FUND

The amount represents funds for professional development to be provided to instructors under collective bargaining agreements. Under these agreements, the College is required annually to make available a specific amount of funding, against which approved professional development expenses are charged. The balance represents the cumulative unspent amount available for professional development.

6. EQUITY

The equity balance includes the book value of capital assets transferred from the former Arctic College and Science Institute of the Northwest Territories and capital assets contributed by the Government as of January 1, 1995 and the results of operations since that date. The following appropriations have been made from equity:

6. EQUITY (continued)

(thousands of dollars)

Appropriated equity:	Balance, opening	Net surplus	Appropri-ated	Used	Balance, ending
a) Program delivery	$ 117	$ -	$ -	$ -	$ 117
b) Research & development	54	-	25	(13)	66
c)HEO replacement & maintenance	127	-	-	-	127
d) Donations	10	-	12	(16)	6
Unappropriated equity:	1,836	588	(37)	29	2,416
Total equity	**$2,144**	**$ 588**	**$ -**	**$ -**	**$2,732**

a) Appropriated for Program Delivery

This appropriation was established in 1997-98 to be applied to program costs contemplated in the annual Programs and Services Proposal prepared by the College, for which funding has not been approved by the Department of Education, Culture and Employment. Allocations to and from this appropriation must be approved by the Board of Governors, upon review of a submission from management.

b) Appropriated for Research & Development

This appropriation was established in 1995-96 to help fund future research and development under both the Research Associate and the Research Fellowship programs at the Aurora Research Institute (ARI). All unencumbered administration revenue that is earned through the fulfillment of third party contracts in any given year at the ARI is transferred to this account.

c) Appropriated for HEO Replacement & Maintenance

This appropriation was established in 1996-97 to help fund ongoing replacement and maintenance of the heavy equipment used in delivering the Heavy Equipment Operator program (HEO). The Board of Governors must approve the replenishment and use of the reserve, which is funded by equipment rental fees charged to third party contractors when delivering HEO courses.

d) Appropriated for Donations

From time to time, the College receives donations from individuals and corporations with conditions attached to them. In order to ensure that the wishes of the contributors are carried out, the donations are appropriated from equity.

7. GOVERNMENT CONTRIBUTIONS

	2000	1999
	(thousands of dollars)	
Operating contributions	$ 20,662	$ 20,197
Amortization of deferred capital contributions	52	51
Refund of capital contributions	(4)	-
	$20,710	$20,248

8. RELATED PARTIES

The College is related in terms of common ownership to all Government created departments, agencies and Crown corporations. The College enters into transactions with these entities in the normal course of business at normal trade terms.

Income

The College received project income of $2,613,000 (1999 - $2,822,000) for courses delivered on behalf of the Government.

Expenses

Under terms of administrative agreements, the Government provides certain support services to the College. The College reimbursed the Government $931,000 (1999 - $1,290,000) for facility operating and utility costs, employee benefits and other expenses.

Services Provided Without Charge

Additional services provided by the Government without charge to the College include payroll processing, insurance and risk management, legal counsel, construction management, records storage, computer operations, asset disposal, project management, and translation services. These services would have cost the College an estimated $459,000 (1999 - $603,000). The College also receives from the Government, without any rental charges, the use of facilities for two of its campuses, certain student housing units and community learning centres. The cost of these services provided without charge are not included in these financial statements.

9. COMMITMENTS

In addition to facilities provided by the Government, the College has leases and service agreements for student accommodation, classroom space, office equipment and other services and is committed to basic payments as follows:

	(thousands of dollars)
2001	$ 2,953
2002	2,452
2003	2,396
2004	2,386
2005	2,378
thereafter	15,716
	$ 28,281

Northwest Territories Business Credit Corporation

Financial Statements

for the year ended
March 31, 2000

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NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Northwest Territories Business Credit Corporation (the Corporation) were prepared by management in accordance with generally accepted accounting principles. When alternative accounting policies exist, management has chosen those it deems most appropriate in the circumstances. Financial statements include amounts requiring estimates, which have been made based upon informed judgment as to the expected results of current transactions and events, such as the provision for losses on impaired loans and services provided by the Government of the Northwest Territories without charge. Management has prepared the financial information presented elsewhere in this annual report and has ensured that it is consistent with the financial statements.

The Corporation maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, and that assets are acquired prudently, used to further the Corporation's aims, and are protected from loss.

The Corporation is subject to the Northwest Territories Business Credit Corporation Act and the Financial Administration Act. It also receives ministerial directives establishing policy guidelines. Management recognizes its responsibility for conducting the Corporation's affairs are in accordance with the requirements of applicable legislation and for maintaining standards of conduct that are appropriate to a territorial Crown corporation.

The Board of Directors appoints certain of its members to serve on the Management Sub-Committee. This Sub-Committee oversees management's responsibility for financial reporting and reviews and recommends the financial statements to the Board for approval.

The Auditor General of Canada annually provides an independent audit for the purpose of expressing his opinion on the financial statements. He also considers whether the transactions that come to his notice in the course of this audit are, in all significant aspects, in accordance with the specified legislation.

Afzal Currimbhoy,
Chief Executive Officer.

June 9, 2000

AUDITOR'S REPORT

To the Minister of the
Northwest Territories Business Credit Corporation

I have audited the balance sheet of the Northwest Territories Business Credit Corporation as at March 31, 2000 and the statement of operations and deficit and statement of cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Corporation, and the financial statements are in agreement therewith and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* and regulations, the *Northwest Territories Business Credit Corporation Act* and regulations and the by-laws of the Corporation.

Sheila Fraser, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 9, 2000

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

BALANCE SHEET
MARCH 31, 2000

	$ 000's	
	March 31 2000	April 1 1999 (Note 3)
ASSETS		
Cash (Note 4)	$ 345	$ 9
Loans Receivable (Note 5)	31,114	26,848
Accrued Interest Receivable (Note 5)	195	195
	31,309	27,043
Less: Allowance for Losses on Impaired Loans (Note 6)	4,796	4,440
	26,513	22,603
Capital Assets (net of accumulated amortization of $30 (1999: $38))	63	10
	$ 26,921	$ 22,622
LIABILITIES		
Accounts Payable	$ 7	$ -
Deferred Capital Contribution	63	10
Advance from the Government of the Northwest Territories (Note 7)	27,968	23,691
	28,038	23,701
DEFICIT		
Deficit	(1,117)	(1,079)
	$ 26,921	$ 22,622

CONTINGENT LIABILITY (NOTE 8)

APPROVED:

Kimberly Staples
Chairperson of the Board of Directors

Afzal Currimbhoy
Chief Executive Officer

The accompanying notes form an integral part of the financial statements.

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

STATEMENT OF OPERATIONS AND DEFICIT
For the Year Ended March 31, 2000

	$ 000's
LENDING ACTIVITIES	
Interest Income on Loans Receivable	$ 1,850
Interest Expense on Advance from the Government of the Northwest Territories (Note 7)	1,467
Net Interest Income	383
Provision for Losses on Impaired Loans (Note 6)	421
Net Loss on Lending Activities	(38)
ADMINISTRATIVE EXPENSES	
Salaries and Benefits	477
Board Meetings	64
Office	40
Professional Fees	39
Communications	18
Amortization	6
Computer Services	5
	649
Net loss before contributions toward administrative expenses	(687)
Less: Contributions toward administrative expenses from:	
Government of the Northwest Territories	489
Service Agreement (Note 10)	160
	649
NET LOSS FOR THE YEAR	(38)
DEFICIT AT THE BEGINNING OF THE YEAR (Note 3)	(1,079)
DEFICIT AT THE END OF THE YEAR	$ (1,117)

The accompanying notes form an integral part of the financial statements.

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2000

	$ 000's
CASH FLOWS FROM OPERATING ACTIVITIES	
Interest Income on Loans Receivable	$ 1,827
Contributions Received Toward Administrative Expenses	643
Administrative Expenses Paid	(643)
Interest Received on Bank Account	23
	1,850
CASH FLOWS FROM INVESTING ACTIVITIES	
Loans Receivable Repaid	3,921
Loans Receivable Disbursed	(8,245)
Purchase of Capital Assets	(59)
	(4,383)
CASH FLOWS FROM FINANCING ACTIVITIES	
Advance from the Government of the Northwest Territories	4,513
Repayment of Advance from the Government of the Northwest Territories	(1,703)
Contribution Received Toward Acquisition of Capital Assets	59
	2,869
NET INCREASE IN CASH	$ 336
Cash at Beginning of the Year	$ 9
Cash at End of the Year	$ 345

The accompanying notes form an integral part of the financial statements.

1. AUTHORITY, OBJECTIVE AND OPERATION

The Corporation was established in 1991 pursuant to the Northwest Territories Business Credit Corporation Act (Act). It is subject to the Financial Administration Act and is a Crown corporation of the Government of the Northwest Territories (the Government).

The Corporation's objective is to stimulate economic development and employment in the Northwest Territories to resident business enterprises, by providing loans, guaranteeing loans made by financial institutions, providing bonds and indemnifying bonding companies which have provided bonds. In addition, the Corporation is responsible for making business development loans to Northern businesses to create economic development opportunities in communities where conventional lending institutions are not prepared to participate. The Corporation's role is a blend of being a last resort lender and a developmental agency for higher risk entrepreneurial ventures.

Economic dependency

The Corporation is economically dependent upon the Government's continuing contributions for direct administrative expenses and advances.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared in accordance with generally accepted accounting principles. The significant accounting policies followed by the Corporation in the preparation of these financial statements are summarized below.

Loans

Loans are stated at the lower of principal amounts or estimated realizable amounts receivable. Accrued interest receivable and an allowance for losses on impaired loans are recorded separately.

Allowance for losses on impaired loans

The allowance for losses on impaired loans represents management's best estimate of probable losses on loans at the end of the fiscal year. The allowance has a specific and general component.

a) Specific allowance: A loan is classified as impaired when one or more of the following conditions exist:

- in the opinion of management, there is reasonable doubt as to the ultimate collectability of principal or interest, or
- principal or interest is six months past due, unless the loan is well secured, or

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Allowance for losses on impaired loans (continued)

- the loan has been previously restructured and principal or interest is three months past due, or
- principal or interest is twelve months past due regardless of whether or not the loan is well secured.

When a loan is classified as impaired, the carrying amount of the loan is reduced to its estimated realizable amount. This is the lower of the recorded amount of the loan or the estimated net fair market value of the underlying security of the loan. The amount of initial impairment and any subsequent changes in the amount of impairment are recorded as a charge or credit to the specific allowance.

b) General allowance: In addition to the specific allowance, the Corporation maintains a general allowance, established at two percent (2%) of loans receivable, net of the specific provision, to reflect management's estimate for losses on those impaired loans which cannot yet be specifically identified. The general allowance is determined based on historical loss experience, aggregate exposure in particular industries or geographical regions, and prevailing economic conditions.

Revenue recognition

Interest revenue on loans receivable is normally recognized on an accrual basis. The Corporation ceases to accrue interest once a loan is classified as impaired. Payments received on impaired loans are credited to the loan balance and recognized as revenue only when either the loan balance has been repaid or the loan is no longer classified as impaired. Payments received on any previously written off loans are recognized as revenue.

Capital assets

Capital assets are recorded at cost. Amortization is calculated on a straight line basis over the estimated useful life of the assets as follows:

Computers	3 years
Furniture and Equipment	4 years

Pension contributions

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Corporation matches employees' contributions for current or prior service. These contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Corporation.

3. CHANGES IN OPERATIONS

On April 1, 1999, the Nunavut Act came into effect, duplicating the Northwest Territories legislation including the Business Credit Corporation Act for Nunavut and creating the Nunavut Business Credit Corporation (NBCC). All operations of the Corporation within the Territory of Nunavut were transferred to the NBCC on this date.

The consequential allocation of assets, liabilities and deficit to the two territorial Corporations effective April 1, 1999, as approved by the respective representatives, is as follows:

BALANCE SHEET	$ 000's		
		April 1, 1999 Corporation in	
ASSETS	March 31, 1999	Nunavut	N.W.T.
Cash	$ 17	$ 8	$ 9
Loans Receivable	34,224	7,376	26,848
Accrued Interest Receivable	276	81	195
	34,500	7,457	27,043
Less: Allowance for Losses on Impaired Loans	5,082	642	4,440
	29,418	6,815	22,603
Capital Assets (net of accumulated amortization of $38 (1998: $36))	10	-	10
	$ 29,445	$ 6,823	$ 22,622
LIABILITIES			
Deferred Capital Contribution	$ 10	$ -	$ 10
Advances from the Government of the Territories	31,373	7,682	23,691
	31,383	7,682	23,701
DEFICIT			
Deficit	(1,938)	(859)	(1,079)
	$ 29,445	$ 6,823	$ 22,622

The April 1 opening balances allocated to the Northwest Territories Business Credit Corporation, as detailed above, are presented in the Balance Sheet for comparative purposes.

3. CHANGES IN OPERATIONS (continued)

Providing pre-Division operating results is not considered meaningful for comparative purposes due to changes in various factors including the reduced size of the loan portfolio, the economic differences in the businesses and the operational differences of the Corporation in the two territories. Additionally, it was not practical to segregate the prior year results between the two territories. Consequently, the statements of operations, deficit and cash flow present only the results for the current year ended March 31, 2000 without comparative figures.

4. CASH

The Corporation's cash is pooled with the Government's surplus cash that is invested in a diversified portfolio of high grade, short-term income producing assets. The cash can be withdrawn at any time, and is not restricted by maturity dates on investments made by the Government. The eligible classes of securities, categories of issuers, limits and terms are approved by the Department of Finance. All instruments depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service or A-3 or better from the Canadian Bond Rating Service. The Corporation's average investment yield was 4.6% during the year (1999: 4.6%).

Net investment income of $23,000 is included in Interest Income on Loans Receivable.

5. LOANS AND ACCRUED INTEREST RECEIVABLE

	Range of Annual Interest Rates		$ 000's	
Region	March 31 2000	April 1 1999	March 1 2000	April 1 1999
Loans Receivable				
Deh Cho	6.75- 9.25%	6.75-14.25%	$ 3,618	$ 2,655
Inuvik	6.75- 9.25%	6.75 - 9.25%	3,629	1,943
North Slave	6.75- 9.25%	6.75 - 9.25%	10,211	8,668
Sahtu	6.75- 8.75%	6.75 - 8.75%	2,260	2,634
South Slave	6.75-10.25%	6.75-10.25%	11,396	10,948
			31,114	26,848
			$ 000's	
Accrued Interest Receivable				
Current			134	106
Arrears			61	89
			195	195
			$ 31,309	$ 27,043

5. LOANS AND ACCRUED INTEREST RECEIVABLE (continued)

As of March 31, 2000, loans receivable are expected to mature as follows:

Maturity Date	Range of Annual Interest Rates	$ 000s
Loans past due	6.75 – 9.25%	$ 4,457
2001	6.75 – 9.25%	2,897
2002	6.75 – 9.50%	4,288
2003	6.75 – 8.75%	5,618
2004	6.75 – 9.25%	6,506
2005 and beyond	8.25 – 9.25%	7,348
		$ 31,114

Loans receivable and accrued interest include $6,976,000 (1999: $6,336,000) that the Corporation has specifically classified as impaired. In 2000, interest not accrued on impaired loans totalled $580,000 (1999: $522,000).

Write-offs

Under the provisions of the Financial Administration Act, a loan (outstanding principal and interest) can only be approved for write-off by either the Legislative Assembly (over $20,000) or the Board of Directors ($20,000 or less). A loan written off is still subject to collection action.

In 2000, no accounts were written off by the Legislative Assembly (1999: six accounts representing three borrowers totalling $349,049).

The Board of Directors approved the write off of seven accounts representing seven borrowers totalling $65,219 (1999: nil).

In 2000, no recoveries were made on loans written off in previous years (1999: nil).

Forgiveness

Under the provisions of the Financial Administration Act, a loan can only be approved for forgiveness by either the Legislative Assembly (over $1,000) or the Financial Management Board ($1,000 or less). Once a loan has been forgiven, no further collection action is possible.

In 2000, no accounts were forgiven by the Legislative Assembly (1999: four accounts representing four borrowers totalling $100,930). No accounts were forgiven by the Financial Management Board (1999: nil).

5. LOANS AND ACCRUED INTEREST RECEIVABLE (continued)

Credit risk

The Corporation's credit risk exposure relating to loans receivable is directly impacted by the borrowers' ability to meet their obligations. This ability is impacted by the borrowers' exposure to fluctuations in the economy of the Northwest Territories.

The Corporation mitigates credit risk by holding no significant concentration with any individual borrower. It is prevented by the Act from lending to any one business enterprise or to a group of related enterprises an amount in excess of $1 million. Where appropriate, the Corporation takes securities for the loans.

6. ALLOWANCE FOR LOSSES ON IMPAIRED LOANS

	$ 000's	
	March 31 2000	April 1 1999
Specific Allowance for Losses on Impaired Loans:		
Balance at beginning of year	$ 3,982	$ 3,898
Provision for the year	341	533
	4,323	4,431
Less: write-offs	65	348
forgiveness	-	101
	65	449
Balance at end of year	4,258	3,982
General Allowance for Losses on Impaired Loans:		
Balance at beginning of year	458	403
Provision for the year	80	55
Balance at end of year	538	458
Allowance for Losses on Impaired Loans	$ 4,796	$ 4,440

7. ADVANCE FROM THE GOVERNMENT OF THE NORTHWEST TERRITORIES

The Act authorizes the Corporation to borrow for the purpose of lending, up to $50 million from the Government through an advance. Increases to the outstanding balance of the advance must be approved by the Financial Management Board based on the need of the Corporation. The balance was not to exceed $38 million as at March 31, 2000 (1999: $38 million).

Interest on the advance is calculated monthly based on the month end rates of selected Government of Canada 3-year bonds, compounded annually. The rate varied from 4.9% to 6.2% during the year (1999: 4.7% to 5.7%).

There are no fixed repayment terms on the advance. Repayment on the advance is made whenever the Corporation has sufficient cash on hand not earmarked for lending purposes.

The carrying amount of the advance from the Government of the Northwest Territories of $27,968,000 (1999: $23,691,000) approximates fair value.

8. CONTINGENT LIABILITY

One legal proceeding against the Corporation is pending related to steps taken by the Corporation to call and enforce its rights involving the collateral security of a loan.

The Corporation is named as co-defendant in the proceeding. The amount of the claim is $11,000,000 plus costs. The Corporation's share of potential liability, if any, resulting from this action is not determinable and consequently no liability has been reflected in these financial statements. Liability, if any, will be reflected as an expense when determined.

9. RELATED PARTY TRANSACTIONS

In addition to those related party transactions disclosed, the Corporation is related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business.

Administrative contribution

Under the terms of administrative agreements between the Corporation and the Government, direct administrative expenses of the Corporation are paid by the Government.

9. RELATED PARTY TRANSACTIONS (continued)

Services provided without charge

The Corporation does not record the value of other capital assets or services provided by the Government without charge in these financial statements. Services provided by the Government include accounting support, employee long term benefits, regional and human resource services as well as office accommodation and some capital assets. The estimated values of these services for the year ended March 31, 2000 are as follows:

	$ 000's
Staff support	$ 163
Accommodation	42
Employee long term benefits	2
	$ 207

Furthermore, the Corporation receives audit services without charge from the Office of the Auditor General of Canada.

10. SERVICE AGREEMENT

A one year service agreement with the Nunavut Business Credit Corporation (NBCC) expired on March 31, 2000. Pursuant to the agreement, the NBCC reimbursed the Corporation for the cost of providing various corporate and program delivery services in the amount of $159,750.

The agreement was not renewed on April 1, 2000.

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Workers' Compensation Board (Northwest Territories and Nunavut)

Financial Statements

for the year ended
December 31, 1999

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March 24, 2000

Management's Responsibility for Financial Reporting

Management of the Workers' Compensation Board is responsible for the preparation, integrity and objectivity of the financial statements and related information presented in this Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles and have been approved by the Board of Directors. Where appropriate, the preparation of financial information contained in this report includes estimates and judgements based on careful consideration of information available to management.

Management has developed and maintains books of accounts, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the Northwest Territories and Nunavut *Workers' Compensation Acts* and regulations, the Northwest Territories and Nunavut *Financial Administration Acts* and regulations, and policies of the Board. The Board of Directors ensures that management fulfils its responsibilities for financial reporting, internal control and safeguarding assets.

The Board of Directors appoints certain of its members to serve on the Finance Committee. This Committee oversees management's responsibilities for financial reporting, and reviews and recommends the financial statements to the Board for approval.

The Auditor General of Canada annually provides an independent, objective audit of the English and French versions of the financial statements for the purpose of expressing his opinion on these financial statements. He also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.

Hewitt Associates, an independent firm of consulting actuaries, has been engaged to provide an opinion on the adequacy and appropriateness of actuarial valuation of future claims and pension liabilities of the Workers' Compensation Board.

Gerry Meier
President

John W. Doyle
Director, Financial Services

AUDITOR'S REPORT

To the Ministers of the Workers' Compensation Board
of Northwest Territories and Nunavut

I have audited the balance sheet of the Workers' Compensation Board of Northwest Territories and Nunavut as at December 31, 1999 and the statements of operations, reserves and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 1999 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the Northwest Territories and Nunavut *Financial Administration Acts*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Board, and the financial statements are in agreement therewith and the transactions of the Board that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the Northwest Territories and Nunavut *Financial Administration Acts* and regulations and the Northwest Territories and Nunavut *Workers' Compensation Acts* and regulations.

Sheila Fraser, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
March 24, 2000

WORKERS' COMPENSATION BOARD (Northwest Territories and Nunavut)
Balance Sheet
as at December 31, 1999
(thousands of dollars)

ASSETS	1999	1998
Cash and short-term investments (note 3a)	$ 3,769	$ 1,306
Assessments receivable	1,367	1,586
Accrued interest receivable	3,837	3,592
Other accounts receivable	1,503	1,470
Investments (note 3)	238,986	228,899
Property and equipment (note 4)	4,994	5,084
	$ 254,456	**$ 241,937**
LIABILITIES		
Accounts payable and accrued liabilities	$ 1,791	$ 1,510
Deferred revenue (note 11c)	-	115
Lease obligations payable (note 5a)	3,057	3,240
Assessments refundable	1,731	1,588
Benefits liability (note 6)	166,482	166,218
	$ 173,061	**$ 172,671**
RESERVES		
Catastrophe reserve	18,000	18,000
Safety reserve	225	225
Operating reserve	54,670	44,541
Special Reserve	8,500	6,500
	81,395	69,266
	$ 254,456	**$ 241,937**

CONTINGENCIES (Note 9)

Approved by Management:

Gerry Meier
President

John W. Doyle
Director, Financial Services

Approved by the Board of Directors:

JoAnne Deneron
Chairperson, Board of Directors

The accompanying notes form an integral part of the financial statements.

WORKERS' COMPENSATION BOARD (Northwest Territories and Nunavut)
Statement of Operations
for the year ended December 31, 1999
(thousands of dollars)

REVENUES	1999	1998
Investment revenue (note 3c)	$ 28,920	$ 27,553
Assessments	12,392	20,165
Recoveries (note 11b)	1,422	1,175
Other revenue	154	-
GNWT contribution (note 11c)	115	607
	$ 43,003	**$ 49,500**

EXPENSES	1999	1998
Cost of claims (note 6)		
Current year's claims	$ 18,494	$ 17,172
Prior years' claims	1,250	4,805
Total Claims	$ 19,744	$ 21,977
Administration and general (schedule)	11,130	8,909
	$ 30,874	**$ 30,886**
INCOME FROM OPERATIONS	**$ 12,129**	**$ 18,614**

TRANSFERS	1999	1998
Transfer to catastrophe reserve	$ -	$ 8,200
Transfer to safety reserve	-	258
Transfer to operating reserve	10,129	8,156
Transfer to special reserve	2,000	2,000
	$ 12,129	**$ 18,614**

The accompanying notes form an integral part of the financial statements.

WORKERS' COMPENSATION BOARD (Northwest Territories and Nunavut)
Statement of Reserves
for the year ended December 31, 1999
(thousands of dollars)

CATASTROPHE RESERVE	1999	1998
Balance at the beginning of the year	$ 18,000	$ 9,800
Transfer from operations	-	8,200
Balance at the end of the year (note 8)	$ 18,000	$ 18,000

OPERATING RESERVE		
Balance at the beginning of the year	$ 44,541	$ 35,710
Transfer from operations	10,129	8,156
Transfer from Safety reserve	-	675
Balance at the end of the year (note 8)	$ 54,670	$ 44,541

SAFETY RESERVE		
Balance at beginning of the year	$ 225	$ 642
Transfer from operations	-	258
Transfer to Operating Reserve	-	(675)
Balance at the end of the year	$ 225	$ 225

SPECIAL RESERVE		
Balance at beginning of year	$ 6,500	$ 4,500
Transfer from operations	2,000	2,000
Balance at the end of the year	$ 8,500	$ 6,500

The accompanying notes form an integral part of the financial statements.

WORKERS' COMPENSATION BOARD (Northwest Territories and Nunavut)

Statement of Cash Flows

for the year ended December 31, 1999
(thousands of dollars)

	1999	1998
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from:		
Employers, for assessments	$ 14,065	$ 21,500
Investment revenue - short term	79	125
	14,144	21,625
Cash paid to:		
Claimants or third parties on their behalf	15,901	14,131
Suppliers, for administration and other goods and services	13,786	11,156
	29,687	25,287
Net cash provided by operating activities	(15,543)	(3,662)
CASH FLOW FROM INVESTING ACTIVITIES		
Transfers to investment managers	(947)	(16,268)
Transfers from investment managers	19,500	18,741
Purchases of capital assets	(547)	(470)
Net cash provided (used) by investing activities	18,006	2,003
Net increase (decrease) in cash and cash equivalents	2,463	(1,659)
Cash and short term investments, beginning of year	1,306	2,965
Cash and short term investments, end of year	$ 3,769	$ 1,306

The accompanying notes form an integral part of the financial statements.

1. Authority, Mandate and Operations

The Workers' Compensation Board (the Board) was established by, and is responsible for the administration of the *Workers Compensation Act*. Effective April 16, 1996, the Board also assumed responsibility for safety enforcement under the *Mine, Health and Safety Act, the Safety Act and the Explosives Use Act*. Effective April 1, 1999, the Board also assumed responsibility for the administration and enforcement of the *Workers' Compensation Act, the Health and Safety Act, the Safety Act and the Explosives Use Act* for the Government of Nunavut.

The mandate of the Board is to provide compensation for injury or death by accident arising out of, and in the course of, employment. Assessments required to meet the costs of compensation, pension awards and administration are levied upon employers on the basis of a percentage of their assessable payroll. In addition, the mandate of the Board includes accident prevention. The Prevention Services Division is responsible for developing safety awareness and for monitoring safety in the workplace.

The Nunavut Act created the Nunavut Territory effective April 1, 1999, resulting in the division of the Northwest Territories. The Government of the Northwest Territories and the Interim Commissioner for Nunavut have signed an Inter-Governmental Agreement for a shared Workers Compensation Board to allow the Workers' Compensation Board to remain as a single entity serving both territories until December 31, 2002.

2. Accounting Policies

The significant accounting policies are as follows:

(a) Investments

Equity investments are valued using a moving average market value method, using a five year amortization of gains and losses that arise on the sale of investments, or that arise as a result of changes in the market value of those investments.

Fixed term investments are recorded at cost at the time of purchase. The realized gain or loss on the sale of an investment is amortized over the remaining period to maturity of the investment, based on the average period for these securities disposed of during the year. For pooled funds, the amortization period is five years.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income is translated at the rate in effect at the time of receipt.

Exchange gains and losses resulting from the translation of foreign currency balances and transactions are amortized into investment income over a five year period.

The Board's international investment manager uses derivative financial instruments to manage operating exposure to foreign exchange fluctuations. These contracts are carried on a market value basis. Premiums paid or received on these instruments are treated as revenue at the time of purchase. Net receipts or payments are recognized in income on an accrual basis in the same period and the same financial statement category to which the contract is related.

(b) Property and equipment

Property and equipment are recorded at cost and amortized over their estimated useful life under the straight-line method as follows:

· Furnishings	10 years
· Equipment	5 years
· Leasehold improvements and office space (leased)	Over the term of the lease

Assets recorded as capital leases are amortized on the straight-line method over the lease term. Obligations recorded under capital leases are reduced by rental payments net of imputed interest.

(c) Administration and general expenses

A portion of administration and general expenses is allocated as claims management costs between current years' claims and prior years' claims based on the proportion of claims expenditures processed. The costs allocated are the direct costs related to the managing of claims, pensions and rehabilitation services.

(d) Benefits Liability

The Benefits Liability is estimated annually using an actuarial valuation and is comprised of:

i. the future pension liability which represents the present value of future payments in respect of approved pension awards;

ii. the future claims liability which represents the present value of future payments in respect of medical aid benefits, compensation payments and the capitalized value of future pension awards for all claims arising from accidents occurring prior to the end of the fiscal year; and

iii. provision for claims management expenses, at 12% of the future claims liability, 3.6% of the future pension liability, and 21% for the Hunters and Trappers benefits liability

Many assumptions are required in the calculation of the liability, including estimates of future inflation, interest rates and mortality rates. The amount of liability is determined on a basis which allows for future inflationary increases by using a discount rate of 3% per annum. Actual claims expenses are not predictable with certainty and, accordingly, may vary from the actuarial valuation of the liability.

(e) Funding Policy

The funding policy of the Board is to maintain both the future pension liability and the future claims liability at a fully funded level at each year end.

(f) Catastrophe and operating reserves

The catastrophe and operating reserves are maintained to provide a margin of protection against adverse financial experience which could unduly burden future employers. The catastrophe reserve was created by the Board of Directors whereas the operating reserve was created by the *Workers Compensation Act*. Such adverse experience could arise in respect of the following risk:

i. disasters and catastrophes
ii. lower than expected investment results
iii. other unanticipated events such as lower than anticipated assessment revenues or higher than anticipated claims costs.

Assessment rates are adjusted to bring the reserve to its target level over a period of between 2 years and 10 years depending on the margin by which the operating reserve is above or below the target range.

(g) Safety reserve

The Board is retaining $225,000 of assessments raised by the SIRR program (in effect from January 1, 1996 - December 31, 1998) in the Safety Reserve. These funds will be used in 2000 and in future years to deliver safety programs.

(h) Special reserve

In addition to the Catastrophe and Operating reserves, the Board created a special reserve of $8,500,000 for the one time impact of events such as division of the Territories, and legislative amendments or court challenges related to pensions for widows whose benefits have been terminated by re-marriage according to the *Workers' Compensation Act*.

(i) Employee benefits

The Board and its employees, who are deemed to be employees of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Board. These contributions represent the total pension obligation of the Board and are recognized in the accounts on a current basis.

Under the conditions of employment, employees earn employment benefits for annual leave, retirement and severance pay. The costs are accrued as the benefits are earned. Accrued termination benefits are paid upon resignation or retirement of employees.

(j) Assessment revenues

Current year revenues are estimated at February 28 of the following year based on actual payrolls submitted by employers. Adjustments to assessment revenues are accounted for in the year received. An allowance is included in assessments refundable for potential adjustments of current and prior years' payrolls.

3 (a) Cash and Investments

The Board invests in the short term money market. The overall yield of this portfolio is 5.0% at December 31, 1999 (1998 - 5.6%). All instruments held in short term investments are in high quality debt obligations issued or guaranteed by Canadian, Provincial, or Territorial governments, Canadian Chartered banks or Loan or Trust companies registered in Canada.

The Board's investment policy limits investment in cash and short term investments to a maximum of 10% of the total investment portfolio. Included is C$88,725 (1998 - $244,093) in foreign currencies. Fair value approximates carrying value due to their short term nature.

The Board's investment target and actual asset mix at December 31 is as follows:

		(Fair Value)	Actual	
	Maximum	Minimum	1999	1998
Fixed term (including cash & short term)	65%	55%	54.1%	58.1%
Canadian equities	25%	15%	21.8%	19.6%
U.S. equities	12%	8%	10.2%	11.0%
Non Canadian and U.S. equities	12%	8%	11.7%	11.0%
Cash and short term (includes Investments maturing in 1 year)	10%	0%	2.2%	2.2%

(b) Investments

	1999		1998	
	(thousands of dollars)			
	Carrying Value	Fair Value	Carrying Value	Fair Value
Fixed term investments				
Pooled funds	$ 96,899	$ 94,466	$ 91,901	$ 98,640
Other	51,682	53,547	48,545	55,092
	148,581	148,013	140,446	153,732
Equity investments	87,154	119,650	83,517	114,204
Investments maturing within one year	3,251	3,251	4,936	4,936
TOTAL	$ 238,986	$ 270,914	$ 228,899	$ 272,872

Included in the carrying values are unamortized gains of $37,589,968 for 1999 (1998 - $39,985,259).

Fair values for equity investments and marketable fixed term investments are the closing value on the appropriate exchange at December 31.

The maturity periods of the other fixed invesment portfolio as at December 31, 1999 are as follows:

	Fair Value (thousands of dollars)
One to five years	26,388
Five to ten years	11,914
Over ten years	15,245
	53,547

(c) Investment Revenue

	1999		1998	
	(thousands of dollars)			
	Interest/ Dividends Revenue	Gains/ (Losses)	Interest/ Dividends Revenue	Gains/ (Losses)
Fixed term investments	$ 9,608	$ 2,826	$ 10,668	$ 3,019
Equity investments	1,859	15,253	2,230	11,985
Investments maturing within one year	223	-	436	-
TOTAL	$ 11,690	$ 18,079	$ 13,334	$ 15,004

	1999	1998
Total Investment Revenue	$ 29,769	$ 28,338
Less: Investment Fees	(928)	(910)
Add: Interest on Cash and Short Term Investments	79	125
Total Investment Revenue	$ 28,920	$ 27,553

Investments are managed by the Board's external investment managers. The market yield of the portfolio (as provided by our performance measurement service) is as follows:

	1999	1998
Fixed term investments	-1.3%	9.1%
Foreign equities	12.4%	25.9%
Canadian equities	23.9%	4.0%

(d) Foreign Currency Balances

The Board has assets in U.S. dollars and other currencies. In addition, the Board has derivative financial instruments (DFI) denominated in various currencies. The purpose of these derivative financial instruments is to optimize yields for the Board, while sustaining acceptable levels of risk.

The only derivative financial instruments used are forward foreign exchange contracts, which all mature within 90 days of the year end. The total unrealized losses at December 31, 1999 are $30,696 (1998 - $104,440) which are included in gains and losses of the corresponding investments in accordance with the investment policy (note 2(a)).

The following chart shows where the Board has exposure to foreign currency risk:

(thousands of dollars)

Currency	Total Investments in $Cdn (fair value)	DFI	1999 Net Exposure	1998 Net Exposure
United States dollar	$ 28,348	$ -	$ 28,348	31,165
Australian dollar	1,199	-	1,199	1,333
Danish krone	198	-	198	199
French franc	-	-	-	2,489
Deutsche mark	-	-	-	2,647
Hong Kong dollar	662	-	662	-
Italian lira	-	-	-	825
Japanese yen	7,739	(1,858)	5,881	1,886
Malaysian ringgit	-	-	-	32
Mexican peso	-	-	-	48
Netherlands guilder	-	-	-	2,930
New Zealand Dollar	56	-	56	-
Phillipine peso	-	-	-	59
Portuguese escudo	-	-	-	88
Pound sterling	7,434	-	7,434	8,715
Singapore dollar	762	-	762	653
Spanish peseta	-	-	-	558
Swiss franc	2,886	-	2,886	3,289
Swedish Krona	153		153	-
Thailand baht	-	-	-	133
Euro Currency	10,638	-	10,638	-
Totals	**$ 60,075**	**$ (1,858)**	**$ 58,217**	**57,049**

4. Property and Equipment

	1999		1998	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	(thousands of dollars)			
Furnishings	$ 1,372	$ 814	$ 1,754	$ 1,405
Equipment - Purchased	514	-	466	-
Leasehold improvements	2,540	791	2,508	624
Office space - Leased	4,242	2,069	4,242	1,857
	$ 8,668	**$ 3,674**	**$ 8,970**	**$ 3,886**
Less accumulated amortization	**(3,674)**		**(3,886)**	
Net Book Value	$ 4,994		$ 5,084	

5. Leases

(a) Capital Lease Obligation

The Board is committed to payments of $435,765 per annum under an office space lease agreement which is based on an implicit interest rate of 8% and expires in 2010. The Board is also responsible for a proportional share of operating and maintenance expenses based on its share of space occupied. Fair value approximates carrying value of the liability.

	(thousands of dollars)
Nominal Value of Payments	$ 4,503
Less: Imputed interest at 8%	(1,446)
Lease Obligation	$ 3,057

(b) Operating Lease

The office space lease agreement was amended in 1996 to add office space in the same building. The costs for the additional space are treated as an operating lease in the financial statements as the lease is for a five year term with no guaranteed renewal payments. The Board is committed to payments of $152,588 per annum until August 13, 2001. The Board is also responsible for a proportional share of operating and maintenance expenses based on its share of space occupied.

The Board acquired office space in Rankin Inlet and Iqaluit in 1998.

The office space lease agreement for Rankin Inlet is treated as an operating lease as the lease is for a five year term with an option for renewal at prevailing market rent for an additional five-year term. The Board is committed to payments of $87,996 per annum until June 30, 2003.

The office space lease agreement for Iqaluit is treated as an operating lease as the lease is for a five year term with an option for renewal at prevailing market rent for an additional five year term. The Board is committed to payments of $81,183 per annum until July 31, 2003.

6. Benefits Liability

	1999					1998
	(thousands of dollars)					
	Medical Aid	**Compensation**	**Pension Capitalization**	**Pension Awards**	**Total**	**Total**
Balance, Beginning of Year	$ 16,325	$ 14,693	$ 22,862	$ 112,338	$ 166,218	$ 162,025
Claims Expenses						
Current year	5,031	7,052	6,368	43	18,494	17,172
Prior years	743	(559)	(1,254)	2,320	1,250	4,805
Liability transfer - capitalizations	-	-	(4,116)	4,116	-	-
Recoveries from third parties	-	223	-	-	223	23
	$ 22,099	$ 21,409	$ 23,860	$ 118,817	$ 186,185	$ 184,025
Less: Claims payments made						
Current year injuries						
Claims payments	843	1,159	-	4	2,006	1,609
Claims management	1,090	1,498	-	5	2,593	2,393
Prior years' injuries						
Claims payments	2,687	2,998	-	8,433	14,118	12,904
Claims management	322	360	-	304	986	901
	$ 4,942	$ 6,015	$ -	$ 8,746	$ 19,703	$ 17,807
Balance, End of Year	$ 17,157	$ 15,394	$ 23,860	$ 110,071	$ 166,482	$ 166,218

7. Actuarial Valuation

The benefits liability is reviewed annually by an independent actuary. The opinion on the adequacy and appropriateness of the actuaries valuation of the future claims and pension liabilities as at Decmber 31, 1999 is attached to these Financial Statements

8. Catastrophe and Operating Reserve

The Board is fully funded at the end of 1999 to meet its obligations for the future pension and future claims liability.

The target level for the catastrophe reserve, set by the Board, provides for the average cost of a disaster. The target level of the reserve at the end of 1999 is $18,000,000 (1998 - $18,000,000).

The target level for the operating reserve is based on a number of factors relating to the financial risks which could impact on the financial position of the board. A range of 75% to 125% of the target level has been set as a target range. The target level at the end of 1999 is $4,616,153 and the target range is $3,462,114 to $5,770,191

The funding policy of the Board provides for discounts on assessment rates when the operating reserve exceeds its target range. In 1999, a discount of 35% (1998 - 5%) was applied to assessment rates.

9. Contingencies

(a) Widow's Pensions

Under current legislation, widows' pension payments terminate after remarriage. An allowance of $3,534,000 for continuation of pensions to widows currently receiving pensions who remarry is included in the Benefits Liability. An opinion from the Board's legal counsel and recent litigation in other provinces suggests that the actual liability could be higher. The amount of any additional liability cannot be determined at this time, as it is currently being reviewed by the legislature.

(b) Legal Claims

The Board has a number of legal claims outstanding for recovery of compensation expenses from third parties. These claims are not recorded in the accounts because of their contingent nature. In the opinion of management and the Board's legal representatives, it is expected that the Board could recover approximately $465,887 (1998 - $682,000). Settlement of legal claims are recognized in the year in which the settlement occurs. Legal claims settled during 1999 resulted in recoveries of $223,335 (1998 - $22,895).

The Board has commenced an action against third parties as a result of the deaths of nine miners in an explosion on a worksite. At this time potential recoveries cannot be determined.

10. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

11. Related Party Transactions

(a) The following table summarizes the Board's assessments revenue from related parties entered into in the normal course of operations in 1999.

	1999	1998
	(thousands of dollars)	
Government of the Northwest Territories	$ 819	$ 1,613
Public Agencies	$ 187	$ 260
Government of Nunavut	$ 270	$ -

(b) The Government of the Northwest Territories provided a reimbursement to the Board for hunters and trappers claims of $1,003,998 (1998 - $1,175,252). The Government of Nunavut provided a reimbursment to the Board for hunters and trappers claims of $418,295 (1998 - $0).

(c) On April 16, 1996 the Government of the Northwest Territories transferred responsibility for the administration and enforcement of the *Safety Act, Explosive Use Act,* and *Mine Health and Safety Act* from the Government of the Northwest Territories to the Board.

Under the terms of the Intergovernmental Agreement for a shared Workers' Compensation Board, the Workers' Compensation Board administers and enforces the above Acts for the Government of the Northwest Territories and Government of Nunuvut effective April 1, 1999. The Agreement covers the period to December 31, 2002, unless extended under the terms of the Agreement.

The Government of the NWT will be compensating the Board for part of the cost of the transfer from April 16, 1996 to March 31, 1999 as shown below. Additional and future costs will be covered from employer assessments. The estimated annual costs of administering these programs is $2,100,000.

April 16, 1996 - March 31, 1997 - 75% of the agreed cost
April 1, 1997 - March 31, 1998 - 50% of the agreed cost
April 1, 1998 - March 31, 1999 - 25% of the agreed cost

Amounts received as contributions are as follows:

	1999	1998
	(thousands of dollars)	
Revenue	$ 115	$ 607
Deferred revenue	-	115
Total contribution	$ 115	$ 722

(d) The Board's investments include bonds (at market value) of:

	1999	1998
	(thousands of dollars)	
Northwest Territories Power Corporation		
11.00% maturing March 9, 2009	$ 618	$ 663
11.125% maturing June 6, 2011	$ 1,269	$ 1,382
9.375% maturing May 12, 2014	$ 1,151	$ 1,252
Northwest Territories Legislative Assembly Building Society		
13.00% Series A, maturing August 31, 2013	$ 528	$ 609

(e) In addition to those related party transactions disclosed elsewhere in these financial statements, the Board is related to all Government of the Northwest Territories and Government of Nunavut created departments, agencies and Crown corporations. The Board enters into transactions with these entities in the normal course of business.

WORKERS' COMPENSATION BOARD (Northwest Territories and Nunavut)

Schedule of Administration and General Expenses

for the year ended December 31, 1999

	1999	1998
	(thousands of dollars)	
Salaries, wages and allowances	$ 7,014	$ 5,912
Professional services	2,184	1,975
Office lease and renovations	1,075	939
Travel	1,122	817
Employer's share of benefits	840	760
Amortization office space/leasehold	380	379
Board Members	378	344
Communications	381	248
Amortization furnishings and equipment	257	236
Office services and supplies	352	233
Office furnishings and equipment (non-capital)	209	138
Advertising and public information	171	129
Grants	288	63
Miscellaneous	49	27
Computer lease and services	8	3
	14,708	12,203
Less:		
Allocations to claims management	3,578	3,294
	$ 11,130	**$ 8,909**

Public Trustee for the Northwest Territories

Financial Statements

for the year ended March 31, 2000

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Public Trustee for the Northwest Territories is responsible for the preparation, integrity and objectivity of the financial statements. The financial statements have been prepared in accordance with generally accepted accounting principles considered appropriate in the circumstances. Where appropriate, the preparation of financial information contained in this report includes estimates and judgements based on careful consideration of information available to management.

The Public Trustee for the Northwest Territories has developed and maintained books of account, records, financial and management controls and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the Public Trustee Act.

It is the responsibility of the auditors to provide an independent, objective audit for the purpose of expressing their opinion on the financial statements.

Larry Pontus
Public Trustee for the Northwest Territories

May 9, 2000

AUDITORS' REPORT

Commissioner

We have audited the Balance Sheet of the Estate and Trust Fund as at March 31, 2000 and the Statements of Operations and Changes in Fund Balance for the year then ended. These financial statements are the responsibility of the Office of the Public Trustee. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly in all material respects, the financial position of the Fund as at March 31, 2000, the results of operations and the changes in the Estate and Trust Fund Balance for the year then ended in accordance with accounting policies of the Public Trustee as outlined in Note 2 to the financial statements and as required by the Public Trustee Act and Regulations.

We further report that in our opinion, proper books of account have been kept by the Public Trustee, the financial statements are in agreement therewith and the transactions that have come under our notice have in all significant respects, been within the statutory powers of the Public Trustee.

AVERY, COOPER & CO.
Certified General Accountants
Yellowknife, N.W.T.

May 9, 2000

STATEMENT I

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE AND TRUST FUND

BALANCE SHEET
March 31, 2000

ASSETS

	2000	1999
Cash (Note 3)	$2,713,601	$4,609,123
Other assets at nominal value	1	1
	$2,713,602	$4,609,124

LIABILITIES

	2000	1999
Undistributed Common Fund earnings per Statement II (Note 4)	$ 66,257	$ 91,138
Estate and Trust Fund per Statement III (Note 5)	2,647,345	4,517,986
	$2,713,602	$4,609,124

APPROVED:

Larry Pontus
Public Trustee for the Northwest Territories

See the accompanying notes.

STATEMENT II

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES ESTATE AND TRUST FUND

STATEMENT OF OPERATIONS

For the year ended March 31, 2000

	2000	1999
Undistributed Common Fund earnings, opening	$ 91,138	$ 74,058
Less		
Allocated to Nunavut Accounts (Note 6)	32,697	-
	58,441	74,058
Add		
Common Fund earnings	154,539	232,729
	212,980	306,787
Less		
Interest paid to estates and trusts	110,957	150,195
Management fees	32,153	46,629
Excess interest paid to the Government of the Northwest Territories	3,613	18,825
	146,723	215,649
Undistributed Common Fund earnings, closing	$ 66,257	$ 91,138

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE AND TRUST FUND

STATEMENT OF CHANGES IN ESTATE AND TRUST FUND BALANCE

For the year ended March 31, 2000

	2000	1999
Estate and trust funds provided:		
Estate and trust assets received	$ 773,858	$1,317,370
Common Fund interest paid to estates and trusts	110,657	150,195
	884,515	1,467,565
Estate and trust funds applied:		
Payments to beneficiaries	896,168	1,320,751
Disbursements made on behalf of estates and trusts	83,716	210,359
Administration fees	57,563	80,087
GST on Administration fees	4,031	5,606
Court fees	2,132	2,108
	1,043,610	1,618,911
Estate and Trust Funds transferred to Nunavut (Note 6)	1,711,546	-
Increase (Decrease) in Estate and Trust Fund balance	(1,870,641)	(151,346)
Estate and Trust Fund balance, opening	4,517,986	4,669,332
Estate and Trust Fund balance, closing	$2,647,345	$4,517,986

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2000

NOTE 1 AUTHORITY

The Public Trustee operates under the authority of the Public Trustee Act, Revised Statutes of the Northwest Territories 1988, Chapter P-19 as amended.

NOTE 2 ACCOUNTING POLICIES

a) These financial statements have been prepared on the cash basis of accounting except as otherwise stated.

b) All Estate and Trust Fund assets other than cash, which include business interests, mortgages, stocks, bonds, term deposits, real estate and other assets, are carried at a nominal value of one dollar ($1).

c) Expenditures for the operation of the Office of the Public Trustee are paid from the Consolidated Revenue Fund of the Government of the Northwest Territories and, except for $93,329 (1999 - $145,540) paid to the Consolidated Revenue Fund as administration fees, management fees, and the transfer of interest earned, are not reflected in these financial statements.

NOTE 3 CASH IN BANK

The Office of the Public Trustee is a member of the Government of the Northwest Territories investment pool.

The Government of the Northwest Territories consolidates and invests the cash balances of all investment pool participants in money market securities. The monies for these investments flow out of the Government of the Northwest Territories main revenue account and accordingly do not affect the cash balances of the participants. Investment pool revenues are prorated and paid to participants weekly.

NOTE 4 UNDISTRIBUTED COMMON FUND EARNINGS

Common Fund earnings are distributed half-yearly, on April 30 and October 31 each year, as interest paid to estates and trusts, management fees and excess interest paid to the Government of the Northwest Territories.

Interest earned on the Common Fund is utilized to pay prescribed interest on estates and trusts, prescribed management fees and any deficiency between the aggregate amount of sums invested in the Common Fund and the actual value of the investments of the Common Fund. Where the interest earned on investment of the Common Fund exceeds the amount required to make these payments, the excess is paid to the Consolidated Revenue Fund of the Government of the Northwest Territories.

The balance of Undistributed Common Fund earnings represents the cumulative earnings of the Common Fund between November 1 and March 31 which will be distributed on April 30 of the next fiscal year. At year end, the balance of Undistributed Common Fund earnings includes amounts required to pay prescribed management fees and excess interest to the governments of the Northwest Territories and Nunavut.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31,2000

NOTE 5 ESTATE AND TRUST FUND

The Estate and Trust Fund reflects all known assets of the estates and trusts administered by the Public Trustee. The Estate and Trust Fund is comprised of the following amounts:

	2000	1999
Common Fund	$2,647,344	$4,517,985
Other assets, at nominal value	1	1
	$2,647,345	$4,517,986

NOTE 6 DIVISION OF THE NORTHWEST TERRITORIES

The creation of Nunavut effective April 1, 1999 resulted in the transfer of responsibility for all Nunavut files to the Public Trustee for Nunavut. To facilitate this transition, the Public Trustee for the Northwest Territories was appointed by the Government of Nunavut, under its Public Trustee Act, as its Public Trustee. The administration of all Nunavut files was provided under service contract with the Government of the Northwest Territories.

To facilitate administration of the Nunavut Estate and Trust Fund, Nunavut files and account activities were segregated at April 1, 1999 and throughout the year. Interest earned on the Common Fund was attributed to Northwest Territories and Nunavut files based on their proportionate share of the Common Fund balance.

NOTE 7 YEAR 2000 ISSUE

Although January 1, 2000 has passed it is still not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

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Northwest Territories
Power Corporation

Consolidated Financial
Statements

for the year ended
March 31, 2000

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements were prepared by management in accordance with generally accepted accounting principles. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. The Northwest Territories Power Corporation is regulated by the Public Utilities Boards of the Northwest Territories and Nunavut, which also examines and approves its accounting policies and practices. Consolidated financial statements include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects. Management has prepared financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

The Corporation maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further the Corporation's aims, are protected from loss or unauthorized use and that the Corporation acts in accordance with the laws of the Northwest Territories, Nunavut and Canada. The Corporation's management recognizes its responsibility for conducting the Corporation's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Territorial Crown corporation. An internal auditor reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing his opinion on the consolidated financial statements. He also considers whether the transactions that come to his notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

The Board of Directors appoints certain of its members to serve on the Audit and Efficiency Committee. This Committee oversees management's responsibilities for financial reporting and reviews and recommends approval of the consolidated financial statements. The internal and external auditors have full and free access to the Audit and Efficiency Committee.

The consolidated financial statements have been approved by the Board of Directors.

ORIGINAL SIGNED
Leon Courneya, CA
President & CEO

ORIGINAL SIGNED
Christine A. Jackson, CA
Vice President, Finance & CFO

Hay River, NT
May 19, 2000

AUDITOR'S REPORT

To the Ministers responsible for the Northwest Territories Power Corporation

I have audited the consolidated balance sheet of the Northwest Territories Power Corporation as at March 31, 2000 and the consolidated statements of earnings and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Corporation and its wholly-owned subsidiaries and the consolidated financial statements are in agreement therewith and the transactions of the Corporation and of its wholly-owned subsidiaries that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* and regulations, the *Northwest Territories Power Corporation Act,* Part II of the *Nunavut Power Utilities Act* and the by-laws of the Corporation and its wholly-owned subsidiaries.

Sheila Fraser, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 19, 2000

NORTHWEST TERRITORIES POWER CORPORATION

Consolidated Statement of Earnings and Retained Earnings
For the year ended March 31, 2000
($000's)

	2000	1999
Revenues		
Sale of power	$ 96,356	$ 94,182
Other (Note 3)	3,481	3,403
Sale of heat	1,582	2,280
	101,419	99,865
Expenses		
Fuel and lubricants	25,822	25,752
Salaries and wages	23,546	22,326
Supplies and services	16,750	16,287
Amortization of capital assets	8,875	8,650
Travel and accommodation	3,603	2,947
Amortization of deferred charges	225	445
	78,821	76,407
Earnings from operations	22,598	23,458
Allowance for funds used during construction	701	308
Interest income	1,408	1,231
	2,109	1,539
Earnings before interest expense	24,707	24,997
Interest expense (Note 5)	14,031	13,502
Net earnings	10,676	11,495
Retained earnings at beginning of period	62,989	58,097
	73,665	69,592
Dividend (Note 6)	6,239	6,603
Retained earnings at end of period	$ 67,426	$ 62,989

See accompanying notes

NORTHWEST TERRITORIES POWER CORPORATION

Consolidated Cash Flow Statement
For the year ended March 31, 2000
($000's)

	2000	1999
Cash flows from operating activities		
Cash receipts from customers	$ 102,017	$ 98,441
Cash paid to suppliers and employees	(70,016)	(65,795)
Interest received	1,408	1,226
Interest paid	(13,823)	(13,289)
Cash flows from operating activities	19,586	20,583
Cash flows used in investing activities		
Purchase of capital assets	(21,427)	(16,944)
Proceeds from sale of capital assets	49	581
Cash flows used in investing activities	(21,378)	(16,363)
Cash flows used in financing activities		
Proceeds from long term borrowings	-	10,000
Net proceeds from short term borrowings	19,071	335
Repayment of net lease obligation	(208)	(227)
Sinking fund installments	(3,362)	(2,571)
Repayment of long term debt	(395)	(5,719)
Dividend paid	(12,842)	(6,261)
Cash flows from (used in) financing activities	2,264	(4,443)
Net increase (decrease) in cash and short-term investments	472	(223)
Cash and short-term investments at beginning of period	712	935
Cash and short-term investments at end of period	$ 1,184	$ 712

See accompanying notes

NORTHWEST TERRITORIES POWER CORPORATION

Consolidated Balance Sheet
As at March 31, 2000
($000's)

	2000	1999
Assets		
Capital assets (Note 7)		
Capital assets in service	$ 390,534	$ 367,745
Less accumulated amortization	(100,429)	(96,356)
	290,105	271,389
Construction work in progress	3,704	8,360
	293,809	279,749
Current assets		
Cash and short-term investments	1,184	712
Accounts receivable	16,632	17,177
Prepaid expenses	2,114	1,054
Inventories	12,828	12,984
	32,758	31,927
Other assets		
Deferred charges and other assets (Note 4)	7,542	7,437
Sinking fund investments (Note 8)	11,518	8,156
	19,060	15,593
	$ 345,627	$ 327,269
Liabilities and Shareholder's Equity		
Long-term debt		
Long-term debt (Note 9)	$ 129,346	$ 129,680
Net lease obligation (Note 10)	2,238	2,446
	131,584	132,126
Current liabilities		
Bank indebtedness and short-term debt (Note 11)	24,216	5,145
Accounts payable and accrued liabilities	17,045	16,381
Capital Replacement Reserve Fund (Note 12)	2,525	2,472
Current portion of long-term debt (Note 9)	335	395
Dividend payable (Note 6)	-	6,603
	44,121	30,996
Other liabilities		
Future removal and site restoration provision (Note 13)	48,237	47,414
Deferred credits and other liabilities (Note 14)	11,130	10,615
	59,367	58,029
Shareholder's equity (Note 15)	110,555	106,118
	$ 345,627	$ 327,269
Commitments & contingencies (Notes 16 and 19)		

Approved on behalf of the Board:

ORIGINAL SIGNED
Gordon Stewart
Chairman of the Board

ORIGINAL SIGNED
Tom Zubko
Director

See accompanying notes

1. Authority and Operation

The Corporation was established under the *Northwest Territories Power Corporation Act*. The Corporation is a territorial corporation under Schedule B of the *Financial Administration Act* and is exempt from income tax.

The Corporation operates diesel, natural gas and hydroelectric production facilities to provide utility services on a self-sustaining basis in the Northwest Territories and Nunavut. The Corporation is regulated by the Public Utilities Boards of the Northwest Territories and Nunavut (PUB).

Division of Territory

Effective April 1, 1999, the Northwest Territories divided into two separate territories. The Government of the Northwest Territories and the Interim Commissioner of Nunavut have entered into an agreement wherein the Corporation will continue as a single Corporation until March 31, 2001. At April 1, 2001 the Corporation will divide into two separate organizations.

2. Accounting policies

The Corporation is regulated by the PUB, which administers acts and regulations covering such matters as rates, financing, accounting, construction, operation, and service area. The PUB may award interim rates, subject to final determination. The regulatory treatment of unforeseen significant expenditures and the impact on rates will be examined when the Corporation files amended rate schedules and will take into account any recoveries from third parties.

Some accounting practices are prescribed by the regulator and accepted for rate regulated utilities. A summary of the significant accounting policies follows:

Consolidation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and include the accounts of the Corporation and its wholly-owned subsidiaries NWT Energy Corporation Ltd., and 923204 N.W.T. Ltd.

NWT Energy Corporation Ltd., under the authority of the Northwest Territories Power Corporation Act, provided financing to the Dogrib Power Corporation for the construction of a 4.3 MW hydro facility. 923204 N.W.T. Ltd. operates and manages one residual heat project in Fort McPherson.

Revenue

Utility revenues are recognized on the accrual basis and include an estimate of services provided but not yet billed.

Inventories

Fuel and lubricants and materials and supplies are valued at average cost.

Capital assets

Capital assets, excluding those donated to the Corporation, are recorded at original cost and include materials, direct labour and a proportionate share of overhead costs and an allowance for funds used during construction which provides for a return on capital at a rate approved by the PUB.

Capital assets donated to the Corporation are recorded at their estimated fair value less accumulated amortization.

Amortization

Amortization of capital assets is provided on the straight-line average group useful life basis, at rates which are approved by the PUB and which include a provision for future removal and site restoration costs, net of salvage value.

In accordance with utility accounting practices, retirement of these assets is charged to the provision with no gain or losses reflected in operations. Gains or losses arising from exceptional circumstances are included in earnings.

Amortization rates are as follows:

Electric power plants	1.3 – 5.2%
Transmission and distribution systems	1.9 – 5.0%
Warehouse, equipment, motor vehicles and general facilities	2.6 – 9.9%
Other utility assets	5.0%
Other	20.0%

Deferred charges

The Snare Cascades deferral account was approved by the PUB in 1996 to ease the impact on utility rates resulting from the Snare Cascade project being added to the rate base. The additional costs of the asset, net of savings from displaced diesel generation, are deferred until 2001, to be amortized over the following ten years.

The Reserves for Injuries and Damages, approved by the PUB, represents emergency repairs to equipment which have not been included in revenue requirement. The balance in the Reserve represents amounts to be included in the revenue requirement for future years. Financing costs relating to the issue of long-term debt are amortized on a straight-line basis over the remaining term of the related debt. Regulatory costs are amortized on a straight-line basis over a period not exceeding three years.

Sinking fund investments
The Corporation records sinking fund investments at amortized acquisition cost. Any discount or premium arising on purchase is amortized over the period to maturity. As a result of the amortization, earnings from the investment reflect the yield based on purchase costs, not on coupon rates, and the carrying value of the investments are adjusted systematically, over the period they are held, toward the amount expected to be realized at maturity.

Capital Replacement Reserve Fund
The excess of revenues over expenditures, in the operation of the Inuvik Water and Sewer system are placed in the Capital Replacement Reserve Fund. Capital expenditures of the utility are charged against this fund. Interest is earned on the fund based on the average 30 day BA rate for the month as prescribed by the operating agreement with the Town of Inuvik.

Deferred credits
Deferred credits reflect donations of assets and contributions to aid in the construction and acquisition of property and equipment, and are amortized on the same basis as the related property and equipment, and the resulting credit is offset against the corresponding provision for depreciation.

Pension plan
Contributions are made by the Corporation and its employees to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total pension obligation of the Corporation and are recognized in the accounts on a current basis.

Rate stabilization funds
In January 1997, the PUB approved the establishment of water and fuel stabilization funds to mitigate the impact on utility rates of unexpected changes in fuel prices, changes from average water levels and fluctuations in hydro generation. The balance in the funds are accounted for by excesses and deficiencies in fuel price and water levels, which accumulate until specified limits are reached, at which time rates are increased or decreased to bring the fund to anticipated levels.

Future removal and site restoration provision
The provision for future removal and site restoration reflects the estimated cost of retiring the assets of the Corporation, net of salvage value. These costs are amortized over the estimated useful lives of the related assets on a straight-line average group useful life basis. Due to the long-term nature of the assumptions made in deriving these estimates, the provision is periodically revised and updated for current information.

Measurement uncertainty
Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Corporation's best information and judgement. Such amounts are not expected to change materially in the near term.

3. Other Revenue

	2000	1999
Water and sewer	$ 1,148	$ 1,449
User fees	817	783
Contract work	608	501
Miscellaneous	582	420
Connection fees	326	250
	$ 3,481	$ 3,403

4. Deferred charges and other assets

	2000	1999
Snare Cascades Deferral Account	$ 3,735	$ 2,231
Reserve for Injuries and Damages	982	1,004
Rate stabilization funds	752	1,475
Other	715	742
Fuel spill	628	1,060
Financing costs	602	647
Housing loans receivable	80	240
Regulatory costs	48	38
	$ 7,542	$ 7,437

The rate stabilization funds are comprised of fuel $1,756 (1999 - $913) and water $ [1,004] (1999 - $562).

5. Interest expense

	2000	1999
Interest on long-term debt:		
Sinking Fund debentures	$ 10,209	$ 9,869
Debentures	2,338	2,351
Capital lease	368	314
Promissory note	-	136
	12,915	12,670
Other interest	1,116	832
	$ 14,031	$ 13,502

6. Dividends

The Corporation declared a dividend of $6,239 (1999 - $6,603) to the Governments of the Northwest Territories and Nunavut.

7. Capital assets

	2000 Cost	2000 Accumulated Amortization	2000 Net Book Value	1999 Net Book Value
Electric power plants	$ 275,333	$ (74,480)	$ 200,853	$ 190,549
Transmission and distribution systems	78,591	(9,715)	68,876	65,296
Warehouse, equipment, motor vehicles and general facilities	26,616	(10,787)	15,829	12,910
Other utility assets	6,089	(2,119)	3,970	1,844
Other	3,905	(3,328)	577	790
	390,534	(100,429)	290,105	271,389
Construction work in progress	3,704		3,704	8,360
	$ 394,238	$ (100,429)	$ 293,809	$ 279,749

Engineering and general administration expense capitalized during the year amounted to $1,921 (1999 - $2,232).

8. Sinking fund investments

Sinking fund investments are held by the Trustee for the redemption of long-term debt. These investments consist of securities and short-term investments issued or guaranteed by the municipal, provincial, or federal governments of Canada, and paper issued by approved banks.

The sinking fund agreement requires the Corporation to make minimum annual installments. The installments required for the next five years are disclosed in Note 9.

	2000 Carrying Value	2000 Weighted average effective rate	1999 Carrying Value	1999 Weighted average effective rate
Federal Government guaranteed	$ 10,365	5.72%	$ 3,518	4.75%
Cash & short-term investments	583	0.25%	19	0.25%
Provincial Government guaranteed	521	6.45%	522	5.63%
Municipal Government guaranteed	49	6.85%	49	6.35%
Bank paper	-	-	4,048	4.77%
	$ 11,518	5.50%	$ 8,156	4.83%

Fair value information for sinking funds is included in Note 16.

9. Long-term debt

	2000	**1999**
11% sinking fund debentures, due March 9, 2009	$ 20,000	$ 20,000
11⅛% sinking fund debentures, due June 6, 2011	15,000	15,000
10¾% sinking fund debentures, due May 28, 2012	20,000	20,000
9⅜% sinking fund debentures, due May 12, 2014	20,000	20,000
6.33% sinking fund debentures, due October 27, 2018	10,000	10,000
8.41% sinking fund debentures, due February 27, 2026	20,000	20,000
10% debenture series 1, due May 1, 2025 repayable in equal monthly payments of $70	7,714	7,779
9¾% debenture series 2, due October 1, 2025 repayable in equal monthly payments of $69	7,733	7,797
9.11% debenture series 3, due September 1, 2026 repayable in equal monthly payments of $73.	8,751	8,823
6.5% Canada's Northwest Territories Government Aurora Fund (1996) 923204 N.W.T. Ltd.'s portion representing 50%, due December 2002	375	375
5.9% I.B.M Lease, due December 1, 2000 repayable in equal monthly payments of $17	108	301
	129,681	130,075
Less: Current portion	335	395
	$ 129,346	$ 129,680

All debentures are unconditionally guaranteed by the Government of the Northwest Territories.

Principal repayments and sinking fund investment requirements for the next five years:

	Principal Repayments	**Sinking Fund Investment Requirements**
2001	335	2,805
2002	249	2,807
2003	649	2,796
2004	298	2,740
2005	332	3,028

10. Net lease obligation

The NWT Energy Corporation Ltd. loaned funds in 1994/95 through 1996/97 to the Dogrib Power Corporation to finance the construction of a hydroelectric generating plant on the Snare River in the Northwest Territories. The balance of the loan receivable is $22,434 (1999 - $22,612).

The loan bears interest at an annual rate of 9.6% which is the average rate of interest on NWT Energy Corporation Ltd.'s long term debt issued to finance the loan. It will be repaid over a 30-year period which commenced in August 1996, with monthly payments including interest of $195. The loan is secured by a charge against the plant and the lease agreement.

Upon completion of construction in August 1996, the NWT Power Corporation leased the plant at an imputed interest rate of 9.6% from the Dogrib Power Corporation for 65 years. The value of the capital lease obligation is $24,881 (1999 - $25,285).

To reflect the effective acquisition and financing nature of the lease, the plant is included in electric power plants in capital assets at a cost of $26,342.

Upon consolidation, the loan receivable held by NWT Energy Corporation Ltd. is offset with the capital lease obligation of the Corporation resulting in a net lease obligation of $2,238 (1999 - $2,446).

The net lease obligation will decrease by the following amounts over the next five years.

2001	$ 208
2002	188
2003	166
2004	142
2005	116

11. Bank indebtedness and short-term debt

	2000	1999
Banker's Acceptance	$ 18,000	$ 1,700
Bank overdraft	6,216	3,445
	$ 24,216	$ 5,145

The interest rate charged on bank overdrafts is prime. The Banker's Acceptance outstanding at year end range from terms of 35 days to 90 days and the weighted average annual interest rate is 5.66%.

12. Capital Replacement Reserve Fund

This amount represents funds held for capital repairs to the water and sewer system in the Town of Inuvik.

Expenditures are made upon the approval of the Inuvik Utilities Planning Committee, which consists of representatives of the Town of Inuvik, the Department of Municipal and Community Affairs of the Government of the Northwest Territories, and the Corporation. During the year, the fund earned $95 (1999 - $111) of interest at rates ranging from 4.7% to 5.3% (1999 – 4.5% to 5.9%).

The Corporation operates the utility on behalf of the Town of Inuvik, who will take over the operations of the utilidor system in April 2000, at which time the balance of the fund will be turned over to the Town.

13. Future removal and site restoration provision

The provision for 1999/00 is $1,479 (1999 - $1,460) and the amount expensed is $656 (1999 - $502).

14. Deferred credits and other liabilities

	2000	1999
Donations in aid of construction	$ 10,001	$ 9,671
Employee termination benefits	1,129	944
	$ 11,130	$ 10,615

Termination benefits are earned by certain employees as a condition of their employment, and are based upon years of service.

15. Shareholder's equity

	2000	1999
Capital Stock		
Authorized: unlimited number of voting common shares without par value		
Issued: 431,288 common shares	$ 43,129	$ 43,129
Retained earnings	67,426	62,989
	$ 110,555	$ 106,118

16. Commitments and contingencies

Capital projects
The estimated cost to complete capital projects in progress as at March 31, 2000, was $12,126 (1999 - $13,574).

Operating leases
The Corporation has leased property and equipment under various long-term operating leases. The minimum annual payments for these leases are as follows:

2001	$ 266
2002	111
2003	95
2004	73
2005	6
2006-2038	69
	$ 620

Supply contracts
The Corporation has entered into contracts to purchase refined oil products. The contracts extend to October 2001, reflect minimum purchase commitments of 37,990,000 litres consistent with the Corporation's operational requirements, and are based on market prices, at time of delivery.

Loan guarantee
The Corporation has guaranteed a loan made by the Aurora Fund to Aadrii Limited in the total amount of $750. This guarantee has been made jointly and severally with another party.

Natural gas purchase commitment
The Corporation has entered into an agreement to purchase natural gas to supply Inuvik with electricity. The minimum obligation is to purchase 5,622,900m^3 of natural gas per annum for 15 years, beginning on August 1, 1999. The price shall be calculated annually on the anniversary of the Initial Delivery Date and will depend on the Edmonton Average Unbranded High Sulphur Diesel Price as posted in the Bloomberg Oil Buyers Guide on that date.

Legal issues
The Corporation has been named as a defendant in two lawsuits. One action relates to the sale of a used diesel generator by the Corporation. The second action, involving the Government of the Northwest Territories and the Federal Government is a claim related to the construction of the hydro system on the Taltson River. As directed by the Cabinet of the Government of the Northwest Territories, the Corporation and the Government of the Northwest Territories will be filing separate defences to the suit. An estimate of the contingent loss arising from these two actions, if any, cannot be determined at this time.

17. Related party transactions

The Corporation is a Territorial Crown corporation and consequently is related to the Governments of the Northwest Territories and Nunavut and its agencies and Crown corporations.

The Corporation provides utility services to, and purchases fuel and other services from, these related parties. These transactions are at the same rates and terms as those with similar unrelated customers.

Transactions with related parties and balances at year end, not disclosed elsewhere in the financial statements, are as follows:

	2000	1999
Sale of power, heat, water and other	$ 22,547	$ 23,669
Purchase of fuel	8,205	9,773
Fuel Tax	1,602	1,846
Other	471	695
Balances at year end:		
Accounts Receivable	1,846	3,113
Accounts Payable	1,730	1,863

18. Financial instruments

	2000		1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 129,681	$ 162,346	$ 130,075	$ 178,657
Net lease obligation	2,238	4,262	2,446	6,604
Sinking fund investments	11,518	11,441	8,156	8,213

The fair value of cash and short-term investments, other current accounts receivable and payable, and bank indebtedness and short-term debt excluding the current portion of loan receivable and long-term debt, approximates the carrying amount of these instruments due to the short period to maturity. The fair value of employee termination benefits approximates carrying value. The fair values for the long-term debt and net lease obligation, are determined using market prices for similar instruments. The fair value of the sinking fund investments was determined using market prices.

19. Franchises

Subsection 37(1) of the Public Utilities Acts of the Northwest Territories and Nunavut states that a public utility shall file with the Board a copy of its franchise before the public utility intends to begin operating under the franchise.

The Corporation requires franchises for 50 communities. As at March 31, 2000, 37 franchises (1999 – 38 franchises) are in place, while the remaining franchises are at various stages of the application process.

20. Comparative figures

Certain reclassification have been made to the comparative figures to conform with current year's presentation.

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Northwest Territories Liquor Commission

Financial Statements

for the year ended
March 31, 2000

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Northwest Territories Liquor Commission ("the Commission") maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Commission acts in accordance with the laws of the Northwest Territories and Canada. The Commission's management recognizes its responsibility for conducting the Commission's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Territorial agency.

The accompanying financial statements were prepared by management in conformity with Canadian generally accepted accounting principles appropriate in the circumstances.

The Auditor General of Canada annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. He also considers whether the transactions which come to his notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.

R.J. Courtoreille
General Manager

A. Brockway
Manager, Finance and Administration

June 8, 2000

AUDITOR'S REPORT

To the Minister of Finance

I have audited the balance sheet of the Northwest Territories Liquor Commission as at March 31, 2000 and the statements of income, amount due to the Government of the Northwest Territories and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Commission and the financial statements are in agreement therewith and the transactions of the Commission that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* and regulations, and the *Northwest Territories Liquor Act* and regulations.

Sheila Fraser, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 8, 2000

NORTHWEST TERRITORIES LIQUOR COMMISSION

Balance Sheet

March 31, 2000

	2000 ($000's)	1999 ($000's)
Assets		
Current assets:		
Cash	$ 355	$ 1,523
Accounts receivable	3	4
Due from Nunavut Liquor Commission	941	–
Inventories (note 3)	2,963	2,916
Prepaid expenses	14	15
	4,276	4,458
Capital assets (note 4)	214	310
	$ 4,490	$ 4,768
Liabilities		
Current liabilities:		
Accounts payable	$ 1,898	$ 2,205
Accrued employee leave and termination benefits	128	109
Due to the Government of the Northwest Territories	2,464	2,454
Commitment (note 7)		
	$ 4,490	$ 4,768

See accompanying notes to financial statements.

Approved by Management:

R. Courtoreille
General Manager

A. Brockway
Manager, Finance and Administration

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Income

Year ended March 31, 2000

	2000	1999
	($000's)	($000's)
Sales:		
Beer	$ 14,072	$ 15,509
Spirits	11,852	12,709
Wine	2,700	2,607
Coolers and ciders	989	792
	29,613	31,617
Cost of goods sold:		
Beer	5,690	6,397
Spirits	3,507	4,003
Wine	1,168	1,232
Coolers and ciders	260	128
	10,625	11,760
Gross profit on sales	18,988	19,857
Other income:		
License fees and permits	491	604
Import fees and other income	246	116
	737	720
	19,725	20,577
Expenses:		
Commissions to agents	2,779	2,758
Salaries, wages and employee benefits	790	839
Amortization of capital assets	117	111
Travel	74	98
Computer services	68	114
Rent	54	152
Communications	50	49
Office supplies	38	57
Inspectors' fees	36	40
Board member honoraria	26	25
Insurance	12	18
Advertising	7	16
Professional fees	7	–
Losses due to breakage, spoilage and theft	6	21
Miscellaneous	1	28
Utilities	–	25
Repairs and maintenance	–	7
Grants in lieu of taxes	–	6
	4,065	4,364
Net income	$ 15,660	$ 16,213

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Amount Due to the Government of the Northwest Territories

Year ended March 31, 2000

		2000		1999
		($000's)		($000's)
Balance, beginning of year	$	2,454	$	2,177
Net income		15,660		16,213
Salaries, wages and benefits paid by the Government		859		839
		18,973		19,229
Net transfer of funds to the Government		16,509		16,775
Balance, end of year	$	2,464	$	2,454

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Cash Flows

Year ended March 31, 2000

	2000 ($000's)	1999 ($000's)
Cash flows from operating activities:		
Cash received from customers	$ 29,374	$ 32,424
Cash paid to suppliers and employees	(14,012)	(14,631)
Net cash provided by operating activities	15,362	17,793
Cash flows from financing and investing activities:		
Purchase of capital assets	(27)	(8)
Proceeds from disposal of capital assets	6	–
Cash transferred to the Government of the Northwest Territories	(16,509)	(16,775)
Net cash used in financing and investing activities	(16,530)	(16,783)
Increase (decrease) in cash	(1,168)	1,010
Cash, beginning of year	1,523	513
Cash, end of year	$ 355	$ 1,523

See accompanying notes to financial statements.

1. Authority and operations:

The Northwest Territories Liquor Commission is established under Part II of the Northwest Territories Liquor Act. It is responsible for the operation of liquor stores and the purchase and distribution of liquor in the Northwest Territories through the Liquor Revolving Fund. The Commission is authorized by the Legislative Assembly to receive interest free working capital advances from time to time not exceeding $6,500,000 to finance its operations.

Net income for the year is to be transferred to the Government of the Northwest Territories in accordance with the Liquor Act.

These financial statements include the operations of the Liquor Licensing Board of the Northwest Territories.

The Commission is non-taxable under the Income Tax Act, Canada.

On April 1, 1999, the Nunavut Act came into force duplicating the NWT Liquor Act in Nunavut. As a result, all eastern territorial operations of the Northwest Territories Liquor Commission (NWTLC) were taken over by the Nunavut Liquor Commission. Representatives of both governments agreed that substantially all of the existing assets and liabilities would remain with the NWTLC effective April 1, 1999. This arrangement was approved as a part of the Governments' own allocation of assets, liabilities and surplus at March 31, 1999.

2. Significant accounting policies:

(a) Inventories:

Inventories are valued at replacement cost which is not materially different than cost. Cost includes invoiced cost, freight, duties and taxes.

(b) Capital assets:

Recycling equipment is stated at cost. Amortization is provided on cost less estimated salvage value on the straight-line basis at an annual rate of 10%.

Leasehold improvements are stated at cost. Amortization is provided on the straight-line basis at an annual rate of 20%.

Furniture and fixtures are stated at cost. Amortization is provided on cost less estimated salvage value on the straight-line basis at an annual rate of 20%.

Computer equipment represents hardware and software and is stated at cost. Amortization is provided on the straight-line basis at an annual rate of 20%.

2. Significant accounting policies, continued:

(c) Employee leave and termination benefits:

Under their conditions of employment, employees qualify for annual leave of varying lengths depending on their length of service. Employees also earn retirement and severance remuneration based on the number of years of service. Annual leave is payable within one fiscal year. The payment of the other amounts is dependent on employees leaving the Commission. The liability for these benefits is recorded in the accounts as the benefits accrue to the employees.

(d) Pension contributions:

The Commission and its employees, who are deemed to be employees of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Commission. These contributions represent the total pension obligation of the Commission and are recognized in the accounts on a current basis. The Commission is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

3. Inventories:

	2000 ($000's)	1999 ($000's)
Spirits	$ 1,408	$ 1,525
Wine	432	458
Beer	999	811
Coolers and ciders	124	122
	$ 2,963	$ 2,916

4. Capital assets:

				2000		1999
		Cost		Accumulated amortization		Net book value		Net book value
		($000's)		($000's)		($000's)		($000's)

		Cost ($000's)		Accumulated amortization ($000's)		2000 Net book value ($000's)		1999 Net book value ($000's)
Computer equipment	$	430	$	249	$	181	$	250
Recycling equipment		150		123		27		42
Leasehold improvements		39		37		2		9
Furniture and fixtures		30		26		4		9
	$	649	$	435	$	214	$	310

5. Related party transactions:

The Commission is related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and corporations. The Commission enters into transactions with these entities in the normal course of business.

The Government of the Northwest Territories provides the Commission with various administrative services, the value of which is not reflected in these financial statements.

6. Service agreement:

The Commission provides various corporate and program delivery services to the Nunavut Liquor Commission and Nunavut Liquor Licensing Board. It received $111,000 in fees for the services rendered.

7. Commitment:

The Commission has entered into a lease agreement for premises that commenced on September 1, 1995 for an initial term of five years to August 31, 2000. The Commission has indicated that they intend to exercise their option to renew for one additional term. The minimum annual lease payments are:

		($000's)
2001	$	50
2002		50
2003		50
2004		50
2005		50
2006		21
	$	271

Annual lease payments include operating costs which are subject to annual increases based on the consumer price index and adjustments for tax assessments.

Government of the Northwest Territories

Petroleum Products Revolving Fund

Financial Statements

for the year ended
March 31, 2000

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Northwest
Territories Fort Simpson Area

Public Works and Services

PETROLEUM PRODUCTS REVOLIVING FUND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements of the Petroleum Products Revolving Fund (the "Fund") is the responsibility of the Fund's management.

The financial statements have been prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are necessarily based on management's best estimates and judgement.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained. The system of internal control is augmented by the Territorial Audit Bureau, which conducts periodic reviews of different aspects of the Fund's operations.

An independent auditor, the Auditor General of Canada, is responsible for auditing the transactions and financial statements of the Fund and for issuing his report thereon.

Brian Austin, Director
Petroleum Products Division

Fort Simpson, NT
August 18, 2000

AUDITOR'S REPORT

To the Minister of Public Works and Services

I have audited the balance sheet of the Petroleum Products Revolving Fund of the Government of the Northwest Territories as at March 31, 2000 and the statements of operations and amount due to the Government of the Northwest Territories and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Fund and the financial statements are in agreement therewith and the transactions of the Fund that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with of the *Financial Administration Act* and regulations, and the *Revolving Fund Act*.

Sheila Fraser, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
August 18, 2000

GOVERNMENT OF THE NORTHWEST TERRITORIES
PUBLIC WORKS AND SERVICES
PETROLEUM PRODUCTS DIVISION

Petroleum Products Revolving Fund

Balance Sheet (thousands of dollars)		**March 31** **2000**		**April 1** **1999** **(Note 3)**
Assets:				
Current				
Accounts receivable (Note 4)	$	3,498	$	2,172
Inventories (Note 5)		4,346		4,594
	$	7,844	$	6,766
Liabilities:				
Current				
Accounts payable and accrued liabilities	$	2,139	$	270
Employee leave and termination benefits		59		53
		2,198		323
Long-Term				
Employee termination benefits		55		39
Due to the Government of the Northwest Territories		5,591		6,404
		5,646		6,443
	$	7,844	$	6,766

Commitments and contingencies (Note 10).

The accompanying notes are an integral part of the financial statements.

Approved by management:

Brian Austin
Director

Shirley Kwong
Comptroller

GOVERNMENT OF THE NORTHWEST TERRITORIES
PUBLIC WORKS AND SERVICES
PETROLEUM PRODUCTS DIVISION

Petroleum Products Revolving Fund

Statement of Operations

For the Year Ended March 31 (thousands of dollars)		2000
Revenue		
Sale of petroleum products (Note 6)	$	10,728
Cost of goods sold		7,593
Gross profit		3,135
Rent and other revenue		16
		3,151
Expenses		
Commissions		1,765
Salaries, wages and employee benefits		1,046
Purchased services		949
Travel		228
Material, supplies and utilities		195
Miscellaneous		80
		4,263
Loss from operations	$	1,112

The accompanying notes are an integral part of the financial statements.

GOVERNMENT OF THE NORTHWEST TERRITORIES
PUBLIC WORKS AND SERVICES
PETROLEUM PRODUCTS DIVISION

Petroleum Products Revolving Fund

Statement of Amount Due to the Government of the Northwest Territories

For the Year Ended March 31 (thousands of dollars)		**2000**
Balance, beginning of year (Note 3)	$	6,404
Plus:		
Payments Made by the Government		
Purchases of petroleum products		7,345
Operating expenses		2,371
Less:		
Transfers to the Government		
Sales proceeds		9,417
Loss from operations		1,112
Balance, end of the year	$	5,591

The accompanying notes are an integral part of the financial statements.

Petroleum Products Revolving Fund

Notes to the Financial Statements

as at March 31, 2000

1. Authority and Operations

The Petroleum Products Revolving Fund (the "Fund") was established in 1973 for the distribution of petroleum products in the Northwest Territories. The Fund operates under the authority of the Revolving Funds Act (the "Act") and the Northwest Territories Financial Administration Act. The Petroleum Products Division of the Department of Public Works and Services of the Government of Northwest Territories ("the Government") is responsible for the administration of the Fund.

Under the Act, the Fund receives working capital advances from the Consolidated Revenue Fund (the "CRF") to finance inventory, accounts receivable and operating expenses. The Fund's purchases of petroleum products and operating expenses are paid from the CRF and funds received by the Fund are deposited in the CRF. The authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities, is $55 million.

The prices for the Fund's petroleum products are approved by the Government. It is the expectation of the Government that the Fund's cost of goods sold and operating expenses will be recovered through the price structure to achieve a break-even operation. Under the Act, there is a special account in the CRF called the Petroleum Products Stabilization Fund to which profits of the Fund shall be credited and losses shall be charged. The debit or credit amount in the Stabilization Fund shall not exceed $5,000,000 at the end of any fiscal year. The balance in the Stabilization Fund at March 31, 2000 is $3,895,000 (1999 - $2,783,000).

2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with generally accepted accounting principles. A summary of significant accounting policies of the Fund are as follows:

a. Inventories

Inventories are valued at the lower of weighted average cost and net realizable value.

b. Services Provided Without Charge

Capital Assets and Environmental Restoration Costs

The Fund does not record the value of the capital assets used in its operations nor any related environmental restoration costs. The capital assets include fuel storage facilities and fuel delivery equipment. The capital assets are provided without charge to the Fund by the Government. The Fund is responsible for the maintenance of the capital assets used in its operations.

Financing Costs

The Fund does not record the financing cost on the working capital advances provided from the CRF.

Further information on capital assets and environmental restoration costs and financing costs is provided in Note 7 and 10.

Other Services Provided Without Charge

The Fund does not record the following services provided without charge by the Government: the procurement of goods and services, the processing of payroll, personnel services, legal counsel, internal audit and translation services. Furthermore, the Fund receives audit services without charge from the Auditor General of Canada.

c. Pensions

The Fund and its employees, who are deemed to be employees of the Government, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. The Fund and the employees contribute equally to the cost of the Plan. These contributions represent the total pension obligation of the Fund and are expensed on a current year basis. The Fund is not required under present legislation to make contributions with respect to actuarial deficiencies to the Public Service Superannuation Account.

d. Employee Leave and Termination Benefits

Under the terms and conditions of employment, employees may qualify and earn employment benefits for annual leave, retirement, severance and removal costs. The estimated liability for these benefits is recorded as the benefits are earned by the employees.

Petroleum Products Revolving Fund

Notes to the Financial Statements

as at March 31, 2000

3. Changes in Operations

On April 1, 1999, the Nunavut Act came into force, duplicating the Northwest Territories legislation including the *Revolving Funds Act* for Nunavut. At April 1, 1999, the Nunavut Petroleum Products Revolving Fund took over operations of the Northwest Territories Petroleum Products Revolving Fund in the Nunavut Territory.

The consequential allocation of assets and liabilities of the two Funds effective April 1, 1999, as approved by representatives of the Government of Nunavut and the Government of the Northwest Territories, is detailed in the schedule below.

The April 1, 1999 opening balances allocated to the Northwest Territories Fund are presented in the Balance Sheet for comparative purposes. The comparison of the current year results, after division, to the prior year results, before division, is not considered meaningful because of the fundamental differences in the nature of the Fund's operations in the eastern and western Territories. Additionally, it was not practical to segregate the prior year results between the two Territories. Consequently, the statements of operations and amount due to the Government of Northwest Territories only present the results for the current year ended March 31, 2000 without comparative figures.

Petroleum Products Revolving Fund

Schedule of Allocation of Opening Balances

Balance Sheet

			April 1, 1999 Fund in	
(thousands of dollars)	March 31, 1999		Nunavut	N.W.T.
Assets:				
Current				
Accounts receivable	$ 12,503		$ 10,331	$ 2,172
Inventories	27,787		23,193	4,594
	$ 40,290		**$ 33,524**	**$ 6,766**
Liabilities:				
Current				
Accounts payable and accrued liabilities	$ 1,361		$ 1,091	$ 270
Employee leave and termination benefits	144		91	53
	1,505		1,182	323
Long-Term				
Employee termination benefits	106		69	39
Due to the Government	38,677		32,273	6,404
	38,785		32,342	6,443
	$ 40,290		**$ 33,524**	**$ 6,766**

Petroleum Products Revolving Fund

Notes to the Financial Statements
as at March 31, 2000

4. Accounts Receivable

(thousands of dollars)	March 31 2000	April 1 1999
Commercial/private	$ 2,187	$ 951
Territorial municipalities and housing associations	600	840
Government of the Northwest Territories:		
Departments and agencies	381	213
Northwest Territories Power Corporation	376	174
	3,544	2,178
Government of Canada	43	57
	3,587	2,235
Less: Allowance for Doubtful Accounts	(89)	(63)
	$ 3,498	$ 2,172

5. Inventories

(thousands of dollars)	March 31 2000	April 1 1999
Heating fuel	$ 2,944	$ 3,230
Gasoline	1,366	1,323
Other fuel	36	41
	$ 4,346	$ 4,594

6. Sale of Petroleum Products

(thousands of dollars)	2000
Commercial/private	$ 4,391
Territorial municipalities and housing associations	3,057
Government of the Northwest Territories:	
Northwest Territories Power Corporation	1,064
Departments and agencies	1,033
Wholesale revenue	1,001
Government of Canada	182
	$ 10,728

7. Services Provided Without Charge

a. Capital Assets and Environmental Restoration Costs

The accounting policies of the fund do not require the capitalization of capital assets or recognition of environment restoration liabilities. However, internal controls are maintained to safeguard assets. Donated capital asset cost is management's best estimate of original cost. Management estimates net book value based on the following notional amortization rates:

Fuel storage facilities	30 years straight line, no salvage
Fuel delivery equipment	10 years straight line, no salvage

(thousands of dollars)			March 31 2000	April 1 1999
	Cost	**Accumulated Amortization**	**Net Book Value**	**Net Book Value**
Fuel storage facilities	$ 17,098	$ 8,357	$ 8,741	$ 9,299
Fuel delivery equipment	1,565	1,254	311	146
Construction in progress	878		878	745
	$ 19,541	$ 9,611	$ 9,930	$ 10,190

b. Financing Costs

Management estimated that the Fund required up to $8 million in working capital with an estimated financing cost of $348,862 for the year. The financing cost is based upon the average monthly balance due to the Government at a monthly average borrowing rate applicable to the Government ranging from 5.08% to 5.67%.

8. Fair Value of Financial Instruments

The carrying values of accounts receivable, accounts payable and accrued liabilities are reasonable estimates of fair value due to the relatively short period to maturity of the financial instruments.

9. Related Party Transactions

In addition to those transactions with related parties disclosed elsewhere in the financial statements, the Fund is related in terms of common ownership to all Government created departments, agencies and Crown Corporations. The Fund enters into transactions with these entities in the normal course of business, with the exception of the Northwest Territories Power Corporation (NTPC). In accordance with an agreement with the Government, NTPC is charged the landed cost to purchase and deliver petroleum products to its facilities in the Northwest Territories.

10. Commitments and Contingencies

a. Fuel Resupply Contracts

The Government has a contract for the barge resupply of petroleum products with Northern Transportation Company Ltd. for the Western Arctic, which will expire in 2001, with an option to extend for two more years. Under the terms of the contract, the Government has committed to purchase variable volumes of petroleum products for each year. In addition, the Government has two resupply contracts with Bassett Petroleum Ltd, both of which will expire in 2001. These contracts provide the resupply of fuel to the road accessible communities on demand basis.

b. Community Fuel Delivery Contracts

The Fund provides community fuel delivery services in 18 communities in the Northwest Territories. These services are carried out through formal fuel delivery contracts which are awarded by the Government to individuals residing in the community or local businesses. Six contracts will expire in 2003, three in 2002, and eight in 2001 respectively. The tank farm facility in Tuktoyaktuk has been leased to E. Gruben's Transport Ltd. for five years, expiring January 31, 2005.

c. Environmental Site Assessment

The Fund's management has initiated comprehensive environmental site assessments of all sites over a four-year period. The contract to conduct the site assessments, delineate the extent of contamination, and develop remedial plans is now entering the third year. All 18 communities have had at least Phase 1 and Phase 2 site assessments. Fourteen communities have had their site assessments completed with the other 4 communities expected to be completed this year. Reports to date indicate that while contamination is present, the level and scope appear to be less severe than originally anticipated. Remediation will be funded through capital expenditures by the Government of the Northwest Territories. Accordingly, the Fund is not responsible for the liability.

d. Canada Shipping Act

The Canada Shipping Act requires owners of Oil Handling Facilities to develop policies and procedures and to provide resources to cope with potential oil spills resulting from offloading of petroleum products from a marine vessel. The Government of the Northwest Territories is exempt from this legislation but has agreed to voluntarily comply with it. Management is jointly developing a compliance plan in partnership with the Northwest Territories Power Corporation and the Canadian Coast Guard. Costs of implementing the compliance plan are not known at this time.

e. Buyback of Delivery Vehicles

There is a special long-term contract for the provision of community based fuel delivery services in these communities: Deline, Fort McPherson, Sachs Harbour and Paulatuk. Terms of the contractual arrangement required the successful proponents to agree to purchase existing and replacement fuel delivery vehicles. In order to provide assurance of continuity of service to the public in the event of termination of the fuel delivery contract, buyback provisions were included in the vehicle purchase agreements. The buyback provision terms for the repurchase are based on the greater of $20,000 or the amortized value of the balance of any outstanding loan on each vehicle. The amortization value will be the value as calculated by the Fund for vehicles, which are less than five years old.

Proponents for fuel delivery service contracts in communities affected by this buyback provision would be required to purchase any vehicles acquired by the Fund at the buyback value paid by the Fund.

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Legislative Assembly Retiring Allowance Fund

Financial Statements

for the year ended
March 31, 2000

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Legislative Assembly

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with generally accepted accounting principles. Where necessary the statements include amounts that are based on informed judgements and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Board's management recognizes its responsibility for conducting the Fund's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The Auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with generally accepted auditing standards. The auditor also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the NWT Legislative Assembly.

The Coles Hewitt group, an independent firm of consulting activities, has been engaged to provide an opinion on the adequacy and appropriation of actuarial valuations of accrued pension benefits of the board.

On behalf of the Management and Services Board

Anthony (Tony) Whitford
Chair

David M. Hamilton
Secretary

August 21, 2000

AUDITORS' REPORT

To the Management and Services Board
Legislative Assembly Retiring Allowance Fund

We have audited the Statement of Net Assets Available for Benefits of the Legislative Assembly Retiring Allowance Fund as at March 31, 2000, the Statement of Changes in Net Assets Available for Benefits for the year then ended and the Statement of Obligations for Pension Benefits as at March 31, 2000. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly in all material respects the Net Assets Available for Benefits as at March 31, 2000 and the changes in its Net Assets Available for Benefits for the year then ended in accordance with the basis of accounting as disclosed in Note 2 to the financial statements.

AVERY, COOPER & CO.
Certified General Accountants
Yellowknife, NT

August 21, 2000

LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND

NET ASSETS AVAILABLE FOR BENEFITS
March 31, 2000

	2000	1999
ASSETS		
CURRENT		
Accrued Investment Income	$ 4,046	$ 4,541
Accounts Receivable	32,015	1,241
	36,061	5,782
INVESTMENTS		
Retiring Allowance Fund (Notes 2 and 3)	17,845,004	16,109,287
	$ 17,881,065	$ 16,115,069
LIABILITIES		
CURRENT		
Accounts Payable	$ 13,899	$ 12,513
FUND BALANCE		
RETIRING ALLOWANCE FUND BALANCE		
Net Assets Available for Benefits per page 204	17,867,166	16,102,556
	$ 17,881,065	$ 16,115,069

APPROVED:

Anthony (Tony) Whitford Director

David M. Hamilton Director

See the accompanying notes.

LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended March 31, 2000

	2000	1999
INCREASE IN ASSETS		
Contributions	$ 84,961	$ 36,333
Interest and Dividends	680,597	889,769
	765,558	926,102
Current Period Change in Fair Market Value of Investments	2,556,263	(197,422)
Total Increase in Assets	3,321,821	728,680
DECREASE IN ASSETS		
Benefits		
Pension Payments	434,382	380,673
Termination Payments	1,054,276	-
Administrative		
Actuary Fees	68,553	65,029
Total Decrease in Assets	1,557,211	445,702
INCREASE IN NET ASSETS	1,764,610	282,978
NET ASSETS AVAILABLE FOR BENEFITS		
- BEGINNING OF YEAR	16,102,556	15,819,578
- END OF YEAR	$ 17,867,166	$ 16,102,556

See the accompanying notes.

LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND

STATEMENT OF OBLIGATIONS FOR PENSON BENEFITS
March 31, 2000

	2000	1999
ACTUARIAL PRESENT VALUE OF DEFINED BENEFITS		
Active Members	$ 1,309,000	$ 2,699,000
Pensioners	7,899,000	7,734,000
Total Ongoing Plan Liabilities (Note 4)	9,208,000	10,433,000
ACTUARIAL VALUE OF NET ASSETS AVAILABLE FOR BENEFITS		
Net Assets Available for Benefits	16,272,000	15,410,000
Changes not reflected in actuarial value of net assets	1,595,166	692,556
Adjusted Actuarial Value of Net Assets Available For Benefits	17,867,166	16,102,556
EXCESS OF ACTUARIAL VALUE OF NET ASSETS OVER ACTUARIAL PRESENT VALUE OF DEFINED BENEFITS	$ 8,659,166	$ 5,669,556

See the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2000

NOTE 1 DESCRIPTION OF PLAN

a) General

The fund was established pursuant to the Legislative Assembly Retiring Allowances Act and is administered by the Management and Services Board. The Act provides retiring allowances on a contributory, defined benefit basis to Members of the Legislative Assembly of the Northwest Territories who have been Members at any time for six or more years prior to October 16, 1995 or four or more years after October 16, 1995, commencing March 10, 1975, the date of the first fully elected Legislative Assembly.

b) The following description of the Legislative Assembly Retiring Allowance Plan is a summary only. For more complete information, reference should be made to the Plan agreement.

1) Funding Policy

The Legislative Assembly Retiring Allowance Act requires that the plan sponsor, the Government of the Northwest Territories, must fund the benefits determined under the Plan. The determination of the value of these benefits is made on the basis of a triennial actuarial valuation for the fund (See Note 4).

In accordance with the Trust agreement, Plan members are required to contribute 6.5% of their salary and per diem allowances to the Plan. Employer contributions required are equal to the amount certified by the Actuary as being necessary to fully fund the benefits accruing under the Plan, less the amount of required employee contributions. Any surplus existing in the Plan may be used to reduce the required employer contributions. Any deficit existing in the Plan must be specifically funded in accordance with the requirements of the Pension Benefits Standards Act.

2) Normal Retirement Age

a. Service Prior to 1992

Age 55

b. Service After 1991

The earliest of:

- age 60
- 30 years of service
- age plus service equals 80

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2000

NOTE 1 DESCRIPTION OF PLAN - cont'd

3) Retirement Pension

A retirement pension is payable to a member, based on 2% of the average best earnings over four consecutive years as an MLA multiplied by Credited Service as an MLA.

PLUS

2% of the average best earnings over four consecutive years in each positions of Minister, Speaker or Chairperson multiplied by Credited Service for each position. A position must be held for at least one year for a pension to be paid, and the pension for each position is calculated separately.

4) Early Retirement

A member may retire at any time upon ceasing to be a member of the Assembly. A Member retiring prior to Normal Retirement Age shall receive:

a. Service prior to 1992

A pension which is actuarially equivalent to the pension calculated as if the member was 55.

b. Service after 1991.

A pension which is reduced by .25% for each month a member retires before the Normal Retirement Age.

5) Late Retirement

Up to age 69.

6) Maximum Allowance

For benefits earned after 1991, the annual retirement pension payable shall not exceed the lessor of:

a. the defined limit as prescribed under the Income Tax Act of Canada for the year in which the pension commences, times the years of credited service after 1991;

b. 2% of the average annual indexed pensionable remuneration, times the years of credited service after 1991.

NOTE 1 DESCRIPTION OF PLAN - cont'd

7) Form of Pension

a. Service Prior to 1992

The normal form of payment is a joint and 75% survivor pension reducing on the death of the Member.

Each dependent will receive a pension of 10% of the retirement pension (to a maximum total of 25%) if the spouse survives. If there is no surviving spouse, a benefit of 25% of the retirement pension (to a maximum total of 100%) will be paid to each dependent.

b. Service After 1991

The normal form of payment for service after 1991 is a joint and 66-2/3% survivor pension reducing on the death of the Member with a guarantee of 100% of the first 60 monthly payments in any event.

Each Dependent will receive a pension of 10% of the retirement pension (to a maximum total of 25%) if the spouse survives. If there is no surviving spouse, a benefit of 100% shall be divided by the number of children for the first 60 monthly payments after the Member's pension commencement and then 25% of the benefit thereafter.

8) Increases in Pension

Pensions in pay and deferred pensions are increased every January 1st based on increases in the Consumer Price Index up to the preceding September 30th.

9) Pre-Retirement Death Benefits

If a Member or Former Member dies before retirement and is not eligible to receive a pension, his accumulated contributions with interest will be returned to the beneficiary. If he was eligible to receive a pension, it will be assumed that the Member retired on the day preceding his death and elected the normal form of pension.

10) Withdrawal Benefits

A Member who terminates with four or more years of service or serves at least one full term as a Member of the Assembly is entitled to a retirement pension. All other Members who terminate will receive a lump sum payment of their accumulated contributions with interest.

LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2000

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the sponsor and plan members. The financial statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the plan nor the benefit security of individual plan members.

b) Contributions are recognized in the accounts on an accrual basis based on earnings as reported by the members' employers.

c) Pension and termination benefits are shown as expenditures in the year of payment.

d) Investments for the Legislative Assembly Retiring Allowance Fund are stated at fair market value.

NOTE 3 INVESTMENTS - RETIRING ALLOWANCE FUND

	2000	%	1999	%
Funds Managed by Investment Counsellors				
Cash and Cash Equivalents	$ 4	-	$ 37,717	0.2
RT Capital Balance Fund (Cost $12,142,314; 1999-$12,496,915)	17,445,502	97.8	15,555,100	96.6
Confederation Life Real Estate Board (Cost $zero; 1999-$49,873)	-	-	68,095	0.4
NWT Legislative Assembly Building Society Series A Bonds (Cost $379,421; 1999-$389,338)	399,498	2.2	448,375	2.8
Total at Fair Market Value	$ 17,845,004	100	$ 16,109,287	100

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2000

NOTE 4 OBLIGATIONS FOR PENSION BENEFITS

The present value of accrued pension benefits was determined using the projected accrued benefit method prorated on service and the plan administrator's best estimate assumptions. The most recent actuarial valuation was made as of April 1, 2000 by Hewitt Associates, a firm of consulting actuaries. This actuarial valuation report was prepared to March 31, 2003 using the projected accrued benefit actuarial cost method (also known as the projected unit credit method), prorated on service. The report was prepared in accordance with accepted actuarial practice and in accordance with Section PS3250 of the CICA Public Sector Accounting and Auditing Handbook.

The principal components of changes in actuarial present values during the year were as follows:

	2000	1999
Actuarial present value of accrued pension benefits - beginning of year	$ 10,4[illegible]0	$ 9,611,000
Cost of benefits earned	3[illegible]0	416,000
Interest accrued on benefits	800,000	787,000
Change in assumptions	47,000	-
Experience gains and losses	(900,000)	-
Benefits paid	(1,475,000)	(381,000)
Actuarial present value of accrued pension benefits - end of year	$ 9,208,000	$ 10,433,000

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant long term actuarial assumptions used in the market valuation were:

	2000	1999
Asset rate of return	7.5%	8.0%
Rate of salary increase	5.0%	5.0%

The actuarial value of net assets available for benefits was determined based on market value on March 31, 2000.

NOTE 5 YEAR 2000 ISSUE

Although January 1, 2000 has passed, it is still not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

Northwest Territories Housing Corporation

Financial Statements

for the year ended
March 31, 2000

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Honourable Roger Allen
Minister Responsible for the
Northwest Territories Housing Corporation

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. The statements have been prepared in accordance with generally accepted accounting principles in Canada. Where necessary the statements include amounts that are based on informed judgements and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Corporation's management recognizes its responsibility for conducting the Corporation's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Territorial Crown Corporation.

The independent auditor, the Auditor General of Canada, is responsible for auditing the financial statements of the Corporation and for issuing his report thereon.

Tom R. Beaulieu President	J.B. (Jeff) Anderson, CGA Chief Financial Officer Finance and Corporate Services

Yellowknife, NT
July, 2000

AUDITOR'S REPORT

To the Minister of the
Northwest Territories Housing Corporation

I have audited the balance sheet of the Northwest Territories Housing Corporation as at March 31, 2000 and the statements of operations, equity and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied, after giving retroactive effect to the change in the method of accounting for capital contributions from the Government of the Northwest Territories and for the change in the method of amortization of warehouses and office buildings as explained in Note 4 to the financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Corporation and the financial statements are in agreement therewith and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* and regulations and the *Northwest Territories Housing Corporation Act* and regulations.

Ronald C. Thompson, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
September 30, 2000

NORTHWEST TERRITORIES HOUSING CORPORATION

Balance Sheet
as at March 31, 2000
($'000)

	2000	April 1, 1999 (Note 3)
ASSETS		
Current		
Cash	$ -	$ 533
Short-term investments (Note 5)	14,176	14,090
Accounts receivable (Note 6)	4,707	10,402
	18,883	25,025
Investment in housing projects		
Land and buildings (Note 7)	116,515	120,643
Mortgages receivable (Note 8)	2,788	2,961
	119,303	123,604
Property and equipment (Notes 4 & 9)	4,316	4,404
	$ 142,502	$ 153,033
LIABILITIES		
Current		
Bank overdraft	$ 199	$ -
Accounts payable (Note 10)	4,530	8,428
Accrued interest	509	517
Due to the Government of the Northwest Territories (Note 11)	61	4,504
Capital contributions advanced (Note 12)	448	-
Contractor's holdbacks	395	332
Current portion of long-term debt	5,069	2,659
Current portion of leave and termination benefits	717	625
Deferred revenue	134	-
	12,062	17,065
Long-term debt (Note 14)	97,507	102,576
Leave and termination benefits	1,194	873
Deferred Capital Contributions – Government of the Northwest Territories (Notes 4 & 13)	34,911	36,423
	145,674	156,937
EQUITY		
Accumulated Surplus/(Deficit) of the Government of the Northwest Territories (Note 4)	(3,172)	(3,904)
	$ 142,502	$ 153,033
Contingencies and commitments (Notes 19 and 20)		

Approved by Management:

Tom R. Beaulieu

President

J.B. (Jeff) Anderson, CGA

Chief Financial Officer

The accompanying notes and schedules form an integral part of the financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Statement of Operations
For the year ended March 31, 2000
($'000)

Expenses		
Contributions to local housing organizations for social housing (Schedule I)	$	27,459
Repairs, maintenance, grants and other costs		20,397
Administration (Schedule II)		11,486
Interest on long-term debt		10,397
Amortization		6,274
Contributions to sponsor groups for social housing (Schedule I)		3,498
Provision for losses on mortgage receivable		3,003
Loss on disposal of land and buildings		1,139
Administration of Government of the Northwest Territories staff housing		1,008
Mortgage write down		(245)
		84,416
Revenues and recoveries		
Other revenue and recoveries		1,345
Recoveries from the Government of the Northwest Territories for staff housing		1,008
Investment revenue		955
Recovery of prior year grants		390
Mortgage interest revenue		191
		3,889
Net cost of operations prior to government contributions		80,527
Cost of operations funded by the Government of the Northwest Territories (Note 11)		39,327
Contributions from Canada Mortgage and Housing Corporation (Note 16)		33,325
Amortization of deferred capital contributions (Note 13)		4,985
		77,637
Net cost of operations (Note 17)	$	2,890

The accompanying notes and schedules form an integral part of the financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Statement of Equity
For the year ended March 31, 2000
($'000)

Accumulated surplus/(deficit) at beginning of year (Note 3)	$	32,017
Adjustments to opening balance		
- Change in the method of amortization of warehouses and office buildings (Note 4)		502
- Change in the method of accounting for capital contributions from the Government of the Northwest Territories (Note 4)		(36,423)
Accumulated surplus/(deficit) at beginning of year - restated		(3,904)
Net cost of operations		(2,890)
		(6,794)
Contributions from the Government of the Northwest Territories		
Acquisition of non-depreciable capital assets		3,431
Contributions provided for loan principal repayments of long-term debt (Note 11)		191
		3,622
Accumulated surplus/(deficit) at end of the year	$	(3,172)

The accompanying notes and schedules form an integral part of the financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Statement of Cash Flows
For the year ended March 31, 2000
($'000)

Cash flow from operating activities		
Cash received from:		
Government of the Northwest Territories	$	39,125
Canada Mortgage and Housing Corporation		33,592
Miscellaneous revenue		2,227
		74,944
Cash used for:		
Interest on long term debt		10,405
Contributions to Local Housing Organizations for social housing		32,491
Repairs, maintenance, grants & other costs		23,856
Administration (Schedule II)		11,164
Administration of Government of the Northwest Territories staff housing		1,008
		78,924
Net cash used by operating activities		(3,980)
Cash flow from financing activities		
Contribution from Government of the Northwest Territories credited to equity		3,622
Contribution from Government of the Northwest Territories credited to deferred capital contributions		3,473
Repayment of long term debt		(2,659)
Recovery from Nunavut Housing Corporation		4,390
Net cash provided by financing activities		8,826
Cash flow from investing activities		
Capital expenditures		(8,733)
Mortgage payments received		650
Sale of capital assets		2,591
Net cash used by investing activities		(5,492)
Net decrease in cash and cash equivalents		(646)
Cash and short-term investments, beginning of year		14,623
Cash and short-term investments, end of year	$	13,977

The accompanying notes and schedules form an integral part of the financial statements.

1. PURPOSE OF THE ORGANIZATION

The Northwest Territories Housing Corporation, established in 1974 pursuant to the *Northwest Territories Housing Corporation Act*, is a Territorial Crown Corporation named in Schedule B to the *Financial Administration Act*.

The Corporation is committed to working in partnership with communities and to provide opportunities for communities to become accountable for their own choices and delivery of housing programs. Through this partnership, opportunities are provided to all community residents to have homes that support a healthy, secure, independent and dignified lifestyle. The Corporation's principal objective is to develop, maintain and manage public housing programs in the Northwest Territories.

Pursuant to provisions of the *Northwest Territories Housing Corporation Act*, the Corporation is dependent upon the Government of the Northwest Territories, either directly or indirectly through guarantees, for the funds required to finance the net cost of its operations, for capital projects and the recovery of staff housing expenditures.

The Northwest Territories Housing Corporation is exempt from income tax. The Corporation is subject to Goods & Services taxes and has complied with requirements applicable to the Corporation.

2. SIGNIFICANT ACCOUNTING POLICIES

The Corporation's financial statements are prepared in accordance with generally accepted accounting policies. The significant accounting policies are as follows:

Revenue recognition

Government of the Northwest Territories contributions, which are provided through the Department of the Executive, are restricted in nature, subject to the provisions of Section 20 of the *Northwest Territories Housing Corporation Act* and Part IX of the *Financial Administration Act*. Accordingly, contributions from the Government of the Northwest Territories are recognized as revenue in the year in which the related expenditures are incurred.

Contributions and recoveries from the Government of the Northwest Territories for operations and maintenance are credited to operations, except for those amounts provided for loan principal repayments which are credited to equity.

Capital contributions for depreciable capital expenditures are recorded as deferred capital contributions on the balance sheet and are amortized on the same basis and over the same periods as the related capital assets. Capital contributions for non-depreciable capital expenditures are credited to equity, or if used for repairs, maintenance, grants and other period costs, are credited to operations.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Federal contributions, which are provided by Canada Mortgage and Housing Corporation (CMHC), are restricted in accordance with provisions in the Social Housing Agreement executed by the Corporation and CMHC. Accordingly, federal contributions are recognized as revenue in the year in which the related expenditures are incurred.

Investment in housing projects - land and buildings

Land and buildings constructed by the Corporation are stated at cost. Buildings transferred to the Northwest Territories Housing Corporation from CMHC are stated at CMHC's book value effective April 1, 1997. Construction in progress includes amounts which may be transferred to land and buildings for rental and are carried at cost. It also includes amounts that may be transferred to homeowners and a mortgage taken back against the property. These properties are carried at their estimated realizable value.

Amortization is provided using the following methods and annual rates. The provisions for amortization begin in the year the building is completed or transferred in and are taken for the full year.

Social housing, senior citizen's housing, lease/purchase housing and staff housing	Declining	5%
Northern rental housing	Straight-line	5%

Investment in housing projects - mortgages receivable

a) Mortgage write-downs

The Corporation, under section 44(1) of its Act, subsidizes principal and interest payments due from homeowners under the legal terms and conditions of mortgages. These subsidies vary in amount depending on the income of the mortgagees. Subsidies are expensed in the year the mortgage is approved.

Accordingly, the mortgage receivable balance represents the present value of the expected future unsubsidized payments from the mortgagees, net of an allowance for impaired mortgages.

Subsequent changes to the amount of subsidy provided, resulting from changes in income of the mortgagee, are recognized in the year the changes occur.

b) Allowance for impaired mortgages

Mortgages are considered impaired when a deterioration in credit quality has occurred and there is reasonable doubt as to the timely collection of principal and interest. A mortgage is considered impaired when a payment is six months in arrears. An allowance is established to reduce the recorded value of the mortgage to its estimated realizable value based on the present value of expected payments.

Initial and subsequent changes in the amount of mortgage impairment are recorded in the year the changes occur.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Mortgage interest revenue

Interest income on mortgages is recorded on the accrual basis. When a mortgage becomes impaired, recognition of interest ceases. Thereafter, interest income is recognized on a cash basis, but only after prior write-offs arising from credit losses and the allowance for impairment has been recovered.

Property and equipment

Property and equipment are stated at cost. Amortization is provided using the following methods and annual rates:

Office furniture and equipment	Declining balance	20%
Warehouses, office buildings and staff housing	Declining balance	5%

Leasehold improvements are amortized on a straight-line basis over the term of the leases.

Contributions to local housing organizations

Houses owned by the Corporation are operated by local housing associations, authorities, municipalities and bands. The Corporation provides contributions for the annual operating requirements of these local housing organizations. These contributions are recorded on an accrual basis by the Corporation.

Pension contributions

The Corporation and its employees, who are deemed to be employees of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Corporation. These contributions represent the total pension obligation of the Corporation and are expensed in the year in which services are rendered. The Corporation is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

Leave and termination benefits

The Corporation accrues in its accounts the estimated liabilities for severance pay, annual leave and overtime-compensatory leave, which are recorded as the benefits are earned by the employees.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires the Corporation to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenditures reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Corporation believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to: valuation of social housing and mortgages receivable; the costs of administering staff housing for the Government of the Northwest Territories; and the costs of administering social housing programs for the Canada Mortgage and Housing Corporation.

3. CHANGE IN OPERATIONS

On April 1, 1999, the *Nunavut Act* came into force, duplicating Northwest Territories legislation including the *Housing Corporation Act* for Nunavut. At April 1, 1999 the Nunavut Housing Corporation (NHC) took over the operations of the Northwest Territories Housing Corporation (NWTHC) in the Nunavut territory.

The consequential allocation of assets, liabilities and deficit to the two Corporations effective April 1, 1999, as approved by representatives of both Corporations, is as follows:

BALANCE SHEET	**March 31, 1999**	**April 1, 1999**	
ASSETS		**Nunavut**	**NWT**
Current			
Cash	$ 957	$ 424	$ 533
Short-term investments	25,314	11,224	14,090
Accounts receivable			
GNWT	2,366	-	2,366
Canada Mortgage and Housing Corporation	1,328	339	989
Other	2,724	67	2,657
	32,689	12,054	20,635
Investment in housing projects			
Land and buildings	392,871	272,228	120,643
Mortgages receivable	12,542	9,581	2,961
	405,413	281,809	123,604
Property and equipment	8,707	4,805	3,902
	$ 446,809	$ 298,668	$ 148,141

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 2000
($'000)

3. CHANGE IN OPERATIONS (CONT'D)

BALANCE SHEET	March 31, 1999	April 1, 1999	
LIABILITIES		Nunavut	NWT
Current			
Accounts payable			
Trade	$ 6,586	$ -	$ 6,586
Local Housing Organizations	1,367	(475)	1,842
Accrued interest	1,543	1,026	517
Due to the Government of the Northwest Territories	4,504	-	4,504
Contractor's holdbacks	1,120	788	332
Current portion of long-term debt	7,804	5,145	2,659
Current portion of leave and termination benefits	729	104	625
Due to (from) NWTHC/NHC	-	4,390	(4,390)
	23,653	10,978	12,675
Long-term debt	317,764	215,188	102,576
Leave and termination benefits	1,003	130	873
	318,767	215,318	103,449
EQUITY			
Government of the Northwest Territories	104,389	-	32,017
Government of Nunavut	-	72,372	-
	$ 446,809	$ 298,668	$ 148,141

The April 1 opening balances allocated to the Northwest Territories Housing Corporation, as detailed above, aggregated for accounts receivable and accounts payable, and amended for changes in accounting policy (see Note 4) are presented in the Balance Sheet for comparative purposes.

3. CHANGE IN OPERATIONS (CONT'D)

The comparison of the current year results, after division, to the prior year results, before division, is not considered meaningful because of changes in various factors including the fundamental differences between the eastern and western regions in their operations, diversity of housing portfolios, and business economies. Additionally, it was not practical to segregate results before division between eastern and western territorial operations. Consequently, the statements of operations, equity and cash flows present only the results for the current year ended March 31, 2000 without any comparative figures.

4. CHANGES IN ACCOUNTING POLICY

Deferred Capital Contributions – Government Northwest Territories

Effective April 1, 1999, the Corporation changed its method of accounting for the contributions received from the Government of the Northwest Territories for the acquisition or construction of depreciable capital assets. As disclosed in Note 2, these contributions are now recorded as deferred capital contributions – Government of the Northwest Territories and are amortized on the same basis and over the same period as the related capital assets.

Prior to this, capital contributions used for capital expenditures were credited to equity. This change in accounting policy, which has been applied retroactively, results in an opening balance adjustment (April 1, 1999) to the balance sheet, increasing Deferred Capital Contributions and reducing Equity by $36,423,000. The effect on current year operations has been an increase in the amortization of deferred capital contribution of $4,985,000.

Amortization – Capital Assets

Effective April 1, 1999, the Corporation changed its method of amortization for warehouses and office buildings from the straight line to the declining balance method. The effect of this change, which has been applied retroactively, is an opening balance adjustment (April 1, 1999) increasing Fixed Assets and Equity on the balance sheet by $502,000. The effect on current year operations has been a decrease in amortization of fixed assets of $90,000.

5. SHORT-TERM INVESTMENTS

The Corporation invests in the short-term money market at fixed rates. The portfolio yield during the year ended March 31, 2000 ranged from 2.50% to 5.06% (1999 - 2.50% to 5.50%). All instruments held in short-term investments have an R-2 high or an AA rating or higher from either the Dominion Bond Rating Service or the Canadian Bond Rating Service. Investments are limited to a maximum of 5% to 50% of the total portfolio and a maximum dollar value of $10 million depending on the issuer of the investment. There is no significant concentration in any one investment counterparty. The average term to maturity is 28 days. (1999 - 35 days)

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 2000
($'000)

6. ACCOUNTS RECEIVABLE

	2000	April 1,1999 (Note 3)
Nunavut Housing Corporation	$ -	$ 4,390
Government of the Northwest Territories	-	1,601
Government of the Northwest Territories – Staff Housing	-	765
Canada Mortgage and Housing Corporation	722	989
Local Housing Organizations	930	-
Receiver General for Canada – GST	1,010	1,054
Public Works & Government Services Canada – RCMP	1,460	468
Other	585	1,135
	$ 4,707	$ 10,402

7. INVESTMENT IN HOUSING PROJECTS - LAND AND BUILDINGS

	2000			April 1, 1999 (Note 3)
	Cost	Accumulated Amortization	Net	Net
Land	$ 372	$ -	$ 372	$ 372
Inventory of unsold housing	3,321	-	3,321	3,074
Social housing	137,969	44,658	93,311	87,071
Northern rental housing	1,720	1,709	11	23
Senior citizens' housing	17,512	3,849	13,663	22,340
Lease/Purchase housing	5,421	1,132	4,289	7,363
Staff housing	309	70	239	400
Construction in progress	1,309	-	1,309	-
	$ 167,933	$ 51,418	$ 116,515	$ 120,643

8. INVESTMENTS IN HOUSING PROJECTS - MORTGAGES RECEIVABLE

	2000	April 1,1999 (Note 3)
First mortgages, rural and remote housing, bearing interest at rates varying between 0% and 14.25% per annum, repayable over a maximum period of 25 years	$ 2,377	$ 2,697
Less: allowance	(2,207)	(2,495)
	170	202
Other mortgages, bearing interest at rates varying between 6% and 14.25% per annum, repayable over a maximum period of 15 years	17,880	14,647
Less: allowance	(15,262)	(12,106)
	2,618	2,541
Direct lending and land acquisition loans bearing interest at rates varying between 7.75% and 13.25% per annum, repayable over a maximum period of 15 years	765	848
Less: allowance	(765)	(630)
	-	218
	$ 2,788	$ 2,961

The recorded value of those mortgages specifically identified as being impaired is $ 18,234,000 (April 1,1999 - $15,231,000).

9. PROPERTY AND EQUIPMENT

	2000			April 1, 1999 (Note 3)
	Cost	Accumulated Amortization	Net	Net
Warehouses	$ 5,331	$ 1,969	$ 3,362	$ 3,514
Office furniture and equipment	2,931	2,184	747	731
Office buildings	87	87	-	-
Leasehold improvements	271	64	207	159
	$ 8,620	$ 4,304	$ 4,316	$ 4,404

10. ACCOUNTS PAYABLE

	2000	April 1,1999 (Note 3)
Trade	$ 3,064	$ 6,586
Local Housing Organizations	715	1,842
Government of the Northwest Territories, Staff Housing	420	-
Government of the Northwest Territories	331	-
	$ 4,530	$ 8,428

11. DUE TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES

	2000
Balance at beginning of the year	$ 4,504
Repayment	(4,504)
	-
Operating contributions	21,684
Contributions provided for loan principal repayments of long-term debt	(191)
Capital contributions used for repairs, maintenance, grants and other costs (Note 12)	17,895
	39,388
Cost of operations net of unfunded items	39,327
Balance at end of year	$ 61

The GNWT makes advances to the Corporation for funding operations and principal repayments of long-term debt. Approved contributions recorded in the financial statements are dependent upon actual expenditures incurred for the year. Amounts advanced in excess of the actual expenditures are due to the GNWT at year-end and are carried forward as a non-interest bearing advance for the following year.

12. CAPITAL CONTRIBUTIONS ADVANCED

		2000
Balance at beginning of the year	$	-
Capital contributions received		25,247
		25,247
Capital expenditures		6,904
Capital contributions used for repairs, maintenance, grants and other costs (Note 11)		17,895
		24,799
Balance at end of the year	$	448

The GNWT makes advances to the Corporation for capital expenditures and for repairs, maintenance, grants and other costs. Approved contributions recorded in the financial statements are dependent upon actual expenditures incurred for the year. Although the Corporation has moved to a one-year delivery for its capital programs, effective April 1, 1999, any amounts advanced in excess of actual expenditures at year-end are carried forward as a non-interest-bearing advance for the following year.

13. DEFERRED CAPITAL CONTRIBUTIONS – GOVERNMENT OF THE NORTHWEST TERRITORIES

		2000
Balance, beginning of year	$	36,423
GNWT contribution for depreciable capital assets		3,473
Amortization of deferred capital funding		(4,985)
Balance, end of year	$	34,911

14. LONG-TERM DEBT

	2000	April 1, 1999 (Note 3)
Loans from Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest of 6.97% (1999 - 6.97%).The loans are guaranteed by the Government of the Northwest Territories.	$ 28,709	$ 29,139
Mortgages payable to Canada Mortgage and Housing Corporation for units transferred under the new Social Housing Agreement, maturing between the years 2003 and 2038, at interest rates ranging from 4.5% to 21.5% (1999 - 4.5% - 21.5%).	71,767	73,996
	100,476	103,135
Loan from the Government of the Northwest Territories for the provision of Direct Lending Mortgages which is repayable when the program is terminated.	1,000	1,000
Loans from the Government of the Northwest Territories for the provision of Interim Financing which is repayable when the program is terminated.	1,100	1,100
	102,576	105,235
Portion included in current liabilities.	5,069	2,659
	$ 97,507	$ 102,576

Principal repayments and interest requirements over the next five years on outstanding loans are as follows:

	Principal	Interest	Total
2001	$ 2,969	$ 10,124	$ 13,093
2002	3,280	9,813	13,093
2003	3,639	9,454	13,093
2004	4,022	9,063	13,085
2005	4,473	8,570	13,043

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of cash and short-term investments, accounts receivable and accounts payable and accruals approximates the carrying amount of these instruments due to the short period to maturity.

The carrying amounts of mortgages receivable of $ 2,788,000 (April 1,1999 - $2,961,000), which is based on discounted cash flows, approximates fair value. This should not be interpreted as the realizable value on immediate settlement of these mortgages due to the uncertainty associated with such a settlement.

For other financial instruments, the carrying amounts and the fair values are as follows:

	2000		April 1, 1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Loans payable	$ 30,809	$ 30,986	$ 31,239	$ 34,317
Mortgages Payable	71,767	100,749	73,996	113,727
	$ 102,576	$ 131,735	$ 105,235	$ 148,044

The fair value of loans and mortgages payable is based on an estimation of the market value of the debt. This is determined by applying the current yield for debt with a similar maturity date issued by the province of Newfoundland and applying this yield to the Corporation's debt. This approach is used because the Government of the Northwest Territories does not issue debt.

16. CONTRIBUTIONS FROM CANADA MORTGAGE AND HOUSING CORPORATION

Recoveries in respect of:	2000
Operations and maintenance	
Contributions to local housing organizations including interest expense	$ 30,823
Repairs, maintenance, grants and other costs	2,502
	$ 33,325

On April 24, 1997, the Corporation signed an agreement with Canada Mortgage and Housing Corporation (CMHC) replacing all existing social housing program agreements between the two parties relating to social housing programs.

16. CONTRIBUTIONS FROM CANADA MORTGAGE AND HOUSING CORPORATION (CONT'D)

Under the terms of this agreement, effective April 1, 1997, the Corporation assumes full responsibility and liability for the management and administration of the programs specified in the Agreement, including some programs that were previously managed unilaterally by CMHC. In return for assuming these responsibilities and managing the programs in accordance with the Agreement, the Corporation will receive annual funding over the term of the Agreement which expires on March 31, 2038.

Effective April 1, 1997, CMHC's ownership interest in the rental and loan portfolio affected by the Agreement is transferred to NWTHC as Trustee, in accordance with a Declaration of Trust Agreement signed by both parties. Over the term of the Agreement, NWTHC shall pay CMHC monthly and quarterly installments of principal and interest in return for CMHC's share of the book values of the respective assets. The obligation related to these assets has been accrued in long-term debt as at March 31, 2000 (Note14). Consistent with previous agreements, the Corporation shall pay CMHC for its respective share of any gains realized upon the disposal of any assets that CMHC has an ownership interest.

The Corporation and the Nunavut Housing Corporation have agreed on an allocation of Canada Mortgage and Housing Corporation (CMHC) funding provided under the 1997 Social Housing Agreement. Effective April 1,1999, the funding amount of $91,140,290 per annum has been allocated $33,172,244 to the Corporation and $57,968,046 to the Nunavut Corporation. The allocation was based on a geographical costing approach at the community level. Separate agreements have been signed between CMHC and both corporations, effective April 1, 1999.

17. NET COST OF OPERATIONS

The net cost is represented by the following unfunded expenses and recoveries:

	2000
Mortgage write down	$ (245)
Amortization	6,274
Amortization of deferred capital contributions - Government of the Northwest Territories	(4,985)
Contribution for mortgage payable	(2,229)
Provision for losses on mortgage receivable (principal portion)	3,003
Long-term portion of leave and termination benefits	321
Recovery of prior year grants	(390)
Gain/Loss on disposal of land and buildings	1,139
	$ 2,890

18. SERVICES TO THE NUNAVUT HOUSING CORPORATION

During 1999–2000 the Corporation provided various corporate and program delivery services to the Nunavut Housing Corporations. The charge for these services was $535,000.

The Corporation has entered into a service agreement with the Nunavut Corporation for the provision of financial services to the Nunavut Corporation for the fiscal year 2000-2001. The estimated charge for these services is $478,000.

19. CONTINGENCIES

During 1999-2000, the Corporation provided guarantees to lenders financing certain new or renovated residential housing construction. As at March 31, 2000 a total of 32 (1999 - 32) loan guarantees were in effect, and the outstanding balance of loans guaranteed was $3,082,000 (April 1, 1999 - $3,170,000).

Under the terms of the Social Housing Agreement with CMHC, the Corporation is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that the Corporation shall indemnify and reimburse CMHC for and save it harmless from all losses, costs and expenses related to these loans. The value of these third party loans is approximately $46,592,000 as at March 31, 2000 (April 1, 1999 - $47,528,000).

20. COMMITMENTS

The Corporation leases office space and rent supplement public housing units under long-term operating lease agreements and is committed to basic rental payments over the next five years. The leases contain escalation clauses for operating costs and property taxes, which may cause the payments to exceed the basic rental. The basic rental payments are as follows:

	Total
2001	$ 3,724
2002	3,076
2003	2,366
2004	2,077
2005	1,644

Rent Supplement leases are renewable after five years for three further five-year periods at rates to be determined when renewing.

21. RELATED PARTY TRANSACTIONS

The Corporation's relationship with the various local housing organizations (Authorities, Associations, Bands, and Hamlets) is as a "partner" in the delivery of social housing, as provided under individual management agreements. The housing authorities are incorporated under the Northwest Territories Housing Corporation Act and the Minister responsible for the Corporation appoints the members.

The Corporation funds the operating costs of the local housing organizations based on a funding formula. Details of contribution amounts, by district, are provided in Schedule 1. In addition the local housing organizations complete Modernization & Improvement projects on various social housing units, as approved and funded by the Corporation.

The Corporation is also related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and crown corporations. The Corporation enters into transactions with these entities in the normal course of business.

22. SUBSEQUENT EVENT

Subsequent to year-end, the Corporation acquired a housing project from a third party sponsor group, which was in default on their mortgage to Canada Mortgage and Housing Corporation (CMHC). The mortgage on the project was administered by the Corporation, on behalf of CMHC, as provided under the Social Housing Agreement signed in 1997. The corresponding asset ($1,000,000) and liability ($783,000) have been set up on the Corporation's books in the new year.

Schedule I

NORTHWEST TERRITORIES HOUSING CORPORATION

Contributions to Local Housing Organizations
For Social Housing
For the year ended March 31, 2000
($'000)

	North Slave	South Slave	Western Arctic	2000 Total
Revenue				
Rental Assessments	$ 969	$ 638	$ 1,330	$ 2,937
Doubtful Accounts	(134)	(112)	33	(213)
Miscellaneous Income	51	102	320	473
Total Revenue	886	628	1,683	3,197
Expenditures				
Administration	916	1,268	2,695	4,879
Honorariums	33	36	84	153
Leasing	1,964	918	608	3,490
Maintenance and Repairs	1,446	2,174	5,330	8,950
Power	518	625	2,727	3,870
Fuel	413	656	2,065	3,134
Water and Sanitation	1,103	768	3,120	4,991
Taxes	273	345	449	1,067
Total Expenditures	6,666	6,790	17,078	30,534
Deficiency of Revenue over Expenditures	5,780	6,162	15,395	27,337
Deficits paid by Local Housing Organizations	(244)	(52)	(245)	(541)
Surpluses retained by Local Housing Organizations	121	185	357	663
Total Local Housing Organization Contribution	5,657	6,295	15,507	27,459
Contributions to Sponsor Groups	2,261	699	538	3,498
Total Contributions to Local Housing Organizations for Social Housing	$ 7,918	$ 6,994	$ 16,045	$ 30,957

Schedule II

NORTHWEST TERRITORIES HOUSING CORPORATION

Schedule of Administration Expenses
For the year ended March 31, 2000
($'000)

	2000
Salaries and benefits	$ 6,917
Travel and relocation	1,700
Professional and special services	1,107
Building and equipment rentals	864
Computer services	351
Communications	212
Material and supplies	181
Workshops & studies	106
Land title fees and expenses	47
Miscellaneous	1
	$ 11,486

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Northwest Territories
Development Corporation

Consolidated Financial Statements

for the year ended
March 31, 2000

(unaudited)

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Northwest Territories Development Corporation

Management's Responsibility for Financial Reporting

August 27, 2000

To the Minister Responsible for the
Northwest Territories Development Corporation

Management is responsible for the preparation and presentation of the consolidated financial statements. The accompanying consolidated financial statements were prepared by management in accordance with generally accepted accounting principles appropriate in the circumstances. Where appropriate, the preparation of financial information includes estimates and judgements based on careful consideration of information available to management.

The Corporation maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Corporation acts in accordance with the laws of the Northwest Territories and Canada. The Corporation's management recognizes its responsibility for conducting the Corporation's affairs in accordance with the requirements of applicable laws and sound business principles and for maintaining standards of conduct that are appropriate to a Territorial Crown Corporation.

The Board of Directors, through the Audit Committee which is comprised of Directors who are not employees of the Corporation, is responsible for reviewing and approving the audited annual financial statements and oversees management's responsibilities for financial reporting. The Audit Committee meets with management to discuss the financial reporting process as well as accounting and reporting issues. The Auditor General of Canada has full and free access to the Audit Committee.

The Auditor General of Canada annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. He also considers whether transactions which come to his notice in the course of his audit are, in all significant respects, in accordance with the specified legislation.

Fred Koe
President & Chief Executive Officer

Kevin Hoyt
Vice President & Comptroller

Northwest Territories Development Corporation

Consolidated Statement of Operations

For the year ended March 31,	2000	1999
Revenue		
Sales	$ 2,998,799	$ 7,284,024
Cost of goods sold	2,728,664	6,685,013
Gross margin	**270,135**	**599,011**
Interest	185,647	217,315
Other revenue	135,905	121,834
Management fees	16,742	7,500
	608,429	**945,660**
Expenses		
Selling and administrative (Schedule)	3,219,982	6,295,905
Amortization	131,160	1,045,874
Provision for loss on investments	38,900	1,075,125
Business development	127,525	154,208
Site restoration expenses (Note 14b)	-	400,000
	3,517,567	8,971,112
Net loss from operations	**(2,909,138)**	**(8,025,452)**
Other items		
Gain on disposal of capital assets	325,390	274,788
Loss allocated to non-controlling interests	-	260,245
	325,390	535,033
Net loss before government contributions	**(2,583,748)**	**(7,490,419)**
Government contributions (Note 4)	2,848,717	5,446,696
Net income (loss)	**$ 264,969**	**$ (2,043,723)**

Northwest Territories Development Corporation

Consolidated Statement of Deficit and Contributed Equity - Venture Investments

For the year ended March 31,	2000	April 1, 1999 (Note 14a)	1999
Deficit			
Balance, beginning of year	$ (3,627,860)	$ (5,133,318)	$ (3,089,595)
Net income (loss)	264,969	-	(2,043,723)
Division	-	1,505,458	-
Balance, end of year	**$ (3,362,891)**	**$ (3,627,860)**	**$ (5,133,318)**
Contributed Equity - Venture Investments			
Balance, beginning of year	$ 3,744,799	$ 5,349,819	$ 4,552,429
Contribution from the Government of the Northwest Territories	21,245	-	717,200
Dividends earned	88,960	-	80,190
Division	-	(1,605,020)	-
Balance, end of year	**$ 3,855,004**	**$ 3,744,799**	**$ 5,349,819**

Northwest Territories Development Corporation

Consolidated Balance Sheet

For the year ended March 31,	2000	April 1, 1999 (Note 14a)	1999
Assets			
Current			
Cash	$ 2,271,121	$ 1,430,466	$ 1,850,735
Accounts receivable	407,736	422,140	870,134
Dividends receivable	9,906	5,250	5,250
Inventory	1,290,930	2,271,544	3,549,016
Prepaid expenses and deposits	10,982	41,021	63,111
	3,990,675	4,170,421	6,338,246
Reserve funds (Note 6)	704,347	644,285	985,159
Venture investments (Note 7)	1,186,551	2,050,450	2,237,950
Capital assets (Note 8)	866,342	968,637	1,193,301
Sinking fund investment (Note 10)	378,000	54,000	54,000
	$ 7,125,915	**$ 7,887,793**	**$ 10,808,656**
Liabilities			
Current			
Bank indebtedness (Note 9)	$ 239,172	$ 758,646	$ 1,271,035
Accounts payable and accrued liabilities	1,083,560	1,201,278	1,476,891
Deferred capital contributions (Note 5)	2,582,091	2,689,754	4,723,053
Provision for site restoration (Note 14)	393,726	400,000	400,000
Current portion of long term debt	-	109,567	109,567
	4,298,549	5,159,245	7,980,546
Long term-debt (Note 10)	1,620,000	1,896,356	1,896,356
	5,918,549	7,055,601	9,876,902
Equity			
Contributed surplus - GNWT	715,253	715,253	715,253
Contributed equity - Venture Investments	3,855,004	3,744,799	5,349,819
Deficit	(3,362,891)	(3,627,860)	(5,133,318)
	1,207,366	832,192	931,754
	$ 7,125,915	**$ 7,887,793**	**$ 10,808,656**

Approved by the Board

Daniel McNeely
Chairman of the Board

Elizabeth Wyman
Chairperson of the Audit Committee

Northwest Territories Development Corporation

Consolidated Statement of Cash Flow

For the year ended March 31,	2000	April 1, 1999 (Note 14a)	1999
Operating activities			
Net income (loss)	$ 264,969	$ -	$ (2,043,723)
Items not affecting cash			
Amortization	131,160	-	1,045,874
Amortization of deferred capital contributions	(151,480)	-	(136,739)
Gain on disposal of capital assets	(325,390)	-	(274,788)
Provision for loss on investments	38,900	-	1,075,125
Change in non-cash operating working capital (Note 11a)	896,408	1,471,893	(276,287)
Cash flows from operating activities	**854,567**	**1,471,893**	**(610,538)**
Financing activities			
Contribution from the Government of the Northwest Territories (Note 11b)	65,062	-	1,186,252
Issue (repayment) of long-term debt	(385,923)	-	2,005,923
Contribution to sinking fund	(324,000)	-	(54,000)
Cash flows from financing activities	**(644,861)**	-	3,138,175
Investing activities			
Investment in venture investments	825,000	187,910	(2,337,200)
Investment in capital assets	(28,865)	224,664	(1,217,403)
Proceeds from disposal of capital assets	325,390	-	280,608
Dividends on venture investments	88,960	-	80,190
Cash flows from investing activities	**1,210,485**	**412,574**	**(3,193,805)**
Increase (Decrease) in cash	1,420,191	1,884,467	(666,168)
Cash, beginning of year	1,316,105	1,564,859	2,231,027
Division	-	(2,133,221)	-
Cash, end of year	**$ 2,736,296**	**$ 1,316,105**	**$ 1,564,859**
Represented by			
Cash	$ 2,271,121	$ 1,430,466	$ 1,850,735
Reserve funds	704,347	644,285	985,159
Bank indebtedness	(239,172)	(758,646)	(1,271,035)
	$ 2,736,296	**$ 1,316,105**	**$ 1,564,859**

1. Authority and operations

(a) Authority

The Corporation is a Crown corporation of the Government of the Northwest Territories (GNWT) and operates under the authority of the *Northwest Territories Development Corporation Act* which came into effect August 24, 1990. The Corporation and its wholly owned subsidiaries are agents of the GNWT.

(b) Operations

The Corporation invests in business enterprises in accordance with the economic objectives of the Government of the Northwest Territories through equity investments, subsidies, loans and project contributions. These economic objectives are to create employment and income opportunities for residents of the Northwest Territories, primarily in small communities, to stimulate growth of businesses in the Northwest Territories and to promote economic diversification and stability.

(c) Economic Dependency

The Corporation is economically dependent upon the Government of the Northwest Territories for continued funding.

(d) Taxes

The Corporation and its subsidiaries are exempt from municipal and territorial taxes pursuant to Section 27 of the *Northwest Territories Development Corporation Act*. Furthermore, the Corporation and its subsidiaries are exempt from federal income taxes, pursuant to Paragraph 149(1)(d) of the *Income Tax Act* (Canada).

(e) Division

On April 1, 1999, the *Nunavut Act* came into force. As a result, certain investments of the Northwest Territories Development Corporation were assumed by the Nunavut Development Corporation consistent with agreements endorsed on March 30, 2000. The consolidated balance sheet, the consolidated statement of cash flow, the statements of deficit and contributed equity - venture investments and certain notes to the consolidated financial statements for the Northwest Territories Development Corporation have been restated as at April 1, 1999 to reflect this political event (Note 14a).

2. Accounting Principles

(a) Principles of Consolidation

These consolidated financial statements include the accounts of the parent company, Northwest Territories Development Corporation, and its subsidiaries. At March 31, 2000 these subsidiaries were:

Subsidiary	Location	Percentage Ownership	Incorporation Date
Light Manufacturing			
913044 N.W.T. Ltd. (o/a Fort McPherson Tent & Canvas)	Fort McPherson, NWT	100%	September 25, 1991
963904 N.W.T. Ltd. (o/a Dene Creations)	Lutsel K'e, NWT	51%	March 21, 1996
Aklavik and Tuktoyaktuk Furs Ltd.	Aklavik, NWT	100%	June 30, 1997
Muskox Leather Inc.	Yellowknife, NWT	100%	August 25, 1998
Fine Arts and Souvenirs			
Acho Dene Native Crafts Ltd.	Fort Liard, NWT	100%	October 15, 1992
Lumber			
Great Slave Lake Forest Products Ltd.	Fort Resolution, NWT	100%	December 13, 1993
Wholesale/Retail Stores			
Arctic Canada Trading Co. Ltd.	Yellowknife, NWT	100%	June 28, 1997
Nahanni Butte General Store Ltd.	Nahanni Butte, NWT	51%	October 15, 1992
Rae Lakes General Store Ltd.	Rae Lakes, NWT	100%	October 14, 1992

Great Slave Lake Forest Products Ltd. ceased operations during the 1999-2000 fiscal year. Management is in the process of liquidating the company's assets and satisfying its liabilities (Note 14b).

The Corporation controls all of its subsidiaries but does not hold a 100% interest in all of them. The non-controlling interest in the subsidiaries has been reduced by the losses applicable to the non-controlling interest. The excess and any further losses applicable to the non-controlling interest are allocated only to the parent's interest. Subsequent earnings will be allocated proportionately to the non-controlling interest when the parent's previously absorbed losses are recovered.

These consolidated statements include the assets and liabilities of the above named subsidiaries as at March 31, 2000 and the results of their operations for the year then ended.

2. Accounting Principles (continued)

(b) Financial Instruments

The Corporation's financial instruments, as referenced in the financial statements, consist of cash, reserve funds, investments, accounts receivable, accounts payable and accrued liabilities, long term debt and bank indebtedness. These financial instruments may be exposed to significant interest rate and credit risks. The financial statements and accompanying notes contain, according to management's best efforts, the relevant information necessary for a reasonable assessment of these risks. The fair value of these financial instruments, where determinable, approximate their carrying amounts unless otherwise noted.

(c) Cash and Reserve Funds

The Corporation's cash and reserve funds are pooled with the GNWT's surplus cash and is invested in a diversified portfolio of high grade, short term income producing assets. The cash can be withdrawn at any time and is not restricted by maturity dates on investments made by the Government. The eligible classes of securities, categories of issuers, limits and terms are approved by the Department of Finance. All instruments, depending on the investment class, are rated R-2 or better by the Dominion Bond Rating Service or A-3 or better by the Canadian Bond Rating Service. The Corporation's average annual investment yield to March 31, 2000 was 4.70%.

(d) Inventory

Inventory is valued at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis.

(e) Venture Investments

Loans receivable which relate to capital items are carried at the amount of the funds advanced less accumulated provision. When conditions of the loan agreement are not met, the entire principal balance and accrued interest shall become due and payable to the Corporation, at it's option.

Investments in preferred shares are carried at cost, or at cost less an allowance for loss on realization where there has been a decline in value.

Investments in which the Corporation exercises significant influence are accounted for using the equity method.

Provision for loss on investments is determined following a detailed review of the investments and specific provisions are made for those investments known to be in difficulty. Provision for loss on investments include loan forgiveness and a provision for loss on realization of venture investments. The value of the venture investments, after provision for loss, represents their fair value.

Dividends received from venture investments are deposited to Contributed Equity - Venture Investments pursuant to Section 17(6) of the *Northwest Territories Development Corporation Act* and are to be used for additional investments in venture activities.

2. Accounting Principles (continued)

(f) Capital Assets

Capital assets are carried at cost less accumulated amortization. Amortization is recorded by the straight line method at rates set out below:

Buildings	5-20%
Trailers	30%
Equipment	10-50%
Office furniture and equipment	10-25%
Leasehold improvements	20-50%
Computer equipment	20-50%
Vehicles	20-30%
Vessel	20%

(g) Revenue

Revenue is recognized on an accrual basis.

(h) Business Development Expenses

Business Development expenses include spending on feasibility studies, business plans, investigations, due diligence assessments and appraisals which have been approved by the Board of Directors or the President. It is the Corporation's policy to charge these expenses to current year operations.

(i) Employee Leave Benefits

Under their conditions of employment, employees qualify for annual leave. Annual leave is accrued as earned by employees and is payable within one fiscal year.

(j) Retirement Contributions

The Corporation and its employees make contributions to registered retirement savings plans. The Corporation matches contributions made by employees up to established limits. These contributions represent the total pension obligation of the Corporation and are recognized on a current basis.

2. Accounting Principles (continued)

(k) Contributions from the Government of the Northwest Territories

The Corporation receives a contribution from the Government of the Northwest Territories as set out below. This contribution is used for the purposes set out in the contribution agreement and is not repayable.

The contribution is allocated at the discretion of the Board of Directors as approved by the Financial Management Board for the purposes of acquiring capital and venture investments, providing operating subsidies to subsidiaries, financing head office operations, providing project contributions, paying business development expenses and purchasing capital assets for the Corporation.

The amount of the contribution approved by the Board for investment in majority-owned subsidiaries and for acquisition of capital assets for the Corporation and for working capital advances to the subsidiaries is recorded as Deferred Capital Contribution - GNWT, and is amortized (into income) on the same basis as the related capital assets and investments.

The amount of the contribution approved by the Board for investment in loans receivable, preferred shares or non-controlling interests in common shares is recorded as Contributed Equity - Venture Investments and is recognized in the year for which the funds are advanced.

The amount of the contribution approved by the Board for providing operating subsidies to the subsidiaries is recognized in the year that the subsidy is paid to the subsidiary. A subsidy contribution which has not been expended at year end is lapsed.

The amount of the contribution approved by the Board for providing project contributions is recognized in the year that the project contribution is paid.

The amount of the contribution approved by the Board for financing head office operations and business development expenses is recognized in the year for which it is approved by the Legislative Assembly of the Government of the Northwest Territories.

(l) Federal and Territorial Funding

The subsidiaries apply directly to specific programs and report the funding on their financial statements when received.

(m) Measurement Uncertainty

The preparation of the financial statements, in accordance with generally accepted accounting principles, requires the Corporation to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenditures reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Corporation believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to the valuation of venture investments, inventories and the provision made for site restoration (Note 14b).

3. Compliance With Investment And Subsidy Limits

Under subsection 16(4) of the *Northwest Territories Development Corporation Act*, the Corporation may, for each job directly or indirectly created in a project or subsidiary, pay from the Subsidy Fund to a subsidiary or for the benefit of a project, a subsidy for operating costs each fiscal year in an amount not exceeding the prescribed maximum for the project or subsidiary. Under subsection 16(3) of the *Northwest Territories Development Corporation Act*, the Corporation may, for each job directly or indirectly created in a project or subsidiary, pay from the Capital Fund to a subsidiary or for the benefit of a project, as initial investment, an amount not exceeding the prescribed maximum.

The *Northwest Territories Development Corporation Act* further states that amounts greater than the prescribed maximum may be provided with the approval of the Financial Management Board. The Financial Management Board has approved the subsidy expense for the 1999-2000 fiscal year through a Financial Management Board Record of Decision.

The following subsidies were provided during the reporting period along with the resultant number of jobs created or maintained for the respective subsidiary. The subsidy provided to 913044 N.W.T. Ltd. and Arctic Canada Trading Co. Ltd. exceeded the amount of $10,000 per job stated in a Financial Management Board Record of Decision.

Subsidiary	Subsidy	Jobs Created or Maintained
913044 N.W.T. Ltd. (o/a Fort McPherson Tent & Canvas)	$ 160,000	10.00
963904 N.W.T. Ltd. (o/a Dene Creations)	-	-
Acho Dene Native Crafts Ltd.	10,000	4.00
Aklavik & Tuktoyaktuk Furs Ltd.	-	0.25
Arctic Canada Trading Co. Ltd.	420,000	4.00
Great Slave Lake Forest Products Ltd.	-	-
Muskox Leather Inc.	-	-
Nahanni Butte General Store Ltd	20,000	4.00
Rae Lakes General Store Ltd.	-	5.00
	$ 610,000	27.25

4. Government Contributions

	2000	1999
Government of the Northwest Territories		
Contribution for subsidies to subsidiaries	$ 1,495,000	$ 2,623,000
Project contributions	-	1,196,540
Contribution to head office	1,085,000	1,061,000
Amortization of deferred capital contribution - GNWT	151,480	136,739
Contribution for business development	112,200	154,208
	2,843,680	5,171,487
Federal and Territorial subsidies to subsidiaries	5,037	275,209
	2,848,717	**5,446,696**

5. Deferred Capital Contribution

	2000	April 1, 1999	1999
Opening balance	$ 2,689,754	$ 4,723,054	$ 4,367,741
Funding received in the year	43,817	-	492,052
Amortization recognized	(151,480)	-	(136,739)
Division	-	(2,033,300)	-
Ending balance	**$ 2,582,091**	**$ 2,689,754**	**$ 4,723,054**

6a. Funds

The Northwest Territories Development Corporation's bank balance as at March 31, 2000 was $2,612,012. This figure is net of any amounts held directly by the Corporations subsidiaries. This amount is comprised of the following balances:

Capital Reserve Fund	$ 301,036
Funds available for venture investments	908,431
Venture Reserve Fund	403,311
Provision for site restoration	393,725
Cash available for operations	605,509
	2,612,012
Subsidiary cash balances	363,456
Consolidated cash balance including reserves	**$ 2,975,468**

6b. Reserve Funds

Pursuant to Sections 16 and 17 of the *Northwest Territories Development Corporation Act*, the Corporation is required to administer a Capital Reserve Fund and a Venture Reserve Fund. The Corporation is required to allocate to these funds an amount equal to 10% of the sums paid from the Capital Fund and the Venture Fund. The legislation indicates that allocations are required to these two reserve funds up to a prescribed maximum. The prescribed maximum is $1 million for both reserve funds.

The Corporation is required to pay amounts in the Capital Reserve Fund that exceed the prescribed maximum of $1 million to the Consolidated Revenue Fund of the Government of the Northwest Territories. The Corporation is required to contribute to the Venture Reserve Fund until it reaches the prescribed maximum of $1 million. Further contributions are not required when the maximum is maintained.

	2000	April 1, 1999	1999
Capital Reserve Fund			
Opening reserve	$ 262,219	$ 510,193	$ 276,851
Current year reserve deposit	38,817	-	233,342
Division	-	(247,974)	-
Ending reserve	**301,036**	**262,219**	**510,193**
Venture Reserve Fund			
Opening reserve	382,066	474,966	234,766
Current year reserve deposit	21,245	-	240,200
Division	-	(92,900)	-
Ending reserve	**403,311**	**382,066**	**474,966**
	$ 704,347	**$ 644,285**	**$ 985,159**

7. Venture Investments

		2000	1999
Loan receivable			
Tli-Cho Co-operative Ltd.	$	212,350	-
Uqqurmiut Inuit Artists Association		-	679,000
Wekweti Development Corporation		220,000	220,000
		432,350	899,000
Less: Provision for loss		(110,000)	(679,000)
		322,350	220,000
Investments in preferred shares			
Red Dog Mountain Contracting Limited		1,425,600	1,555,200
963912 N.W.T. Ltd (Great Bear Lake Lodges)		-	513,500
953801 N.W.T. Ltd. (Rae-Edzo)		-	294,350
175119 Canada Inc. (Norweta Cruises)		273,311	273,311
933273 N.W.T. Ltd. (West Baffin)		-	250,000
Dene Fur Clouds Ltd.		1	-
Nortech Fire & Safety Ltd.		200,000	200,000
Two River Development Group Ltd.		160,000	160,000
Nats'enelu Ltd.		150,000	150,000
Great Circle Entertainment Ltd.		130,000	130,000
Red River Incorporated Band Ltd.		-	100,000
974104 N.W.T. Ltd. (Deline)		100,000	100,000
North Nahanni Naturalist Lodge Ltd.		100,000	100,000
Aboriginal Language Services Corporation		42,000	42,000
F.C. Services Ltd.		30,000	30,000
Tli-Cho Co-operative Ltd.		100	-
		2,611,012	3,898,361
Less: Provision for loss		(1,746,811)	(1,880,411)
Net Investment in Venture Investments	$	**1,186,551**	**$ 2,237,950**

Investments in preferred shares carry the right of conversion to common shares. This right may result in the holding of a controlling interest under certain circumstances. Preferred shares are redeemable at the option of the Corporation, and earn dividends at variable rates. Dividends have been waived for the first three years for certain of the investments. Venture dividends received during 2000: $88,960 (1999: $80,190).

The Corporation has an investment in Dene Fur Clouds Ltd. of 230,000 preferred shares with a nominal value of $1.

8. Capital Assets

	Cost	Accumulated Amorization	2000 Net Book Value	1999 Net Book Value
Land	$ 3,197	$ -	$ 3,197	$ 3,197
Buildings	4,638,740	3,995,823	642,917	703,043
Equipment	1,482,728	1,396,138	86,590	233,944
Leasehold improvements	239,227	239,227	-	22,315
Office and equipment	362,214	355,217	6,997	16,303
Computer equipment	171,431	81,576	89,855	165,813
Vehicles	79,128	46,842	32,286	43,046
Vessel	26,137	21,637	4,500	5,640
	$ 7,002,802	$ 6,136,460	**$ 866,342**	**$ 1,193,301**

The majority of the capital asset balance has been amortized due to accounting treatment that tied the amortization to the subsidy reporting period. That reporting period varied in length, from one to five years.

9. Bank Indebtedness

Bank indebtedness represents bank overdrafts and demand loans secured by a debenture over inventory and capital assets. Interest on demand loans is at prime plus 0.5%.

	2000	1999
Bank loans	$ 225,000	$ 1,125,000
Bank overdrafts	14,172	146,035
	$ 239,172	**$ 1,271,035**

10. Long-term Debt

		2000		1999
Aurora Fund loan repayable at end of term. Simple interest of 7.00% ($9,450) is payable monthly. Due January 2004.	$	1,620,000	$	1,620,000
Komatsu International Credit term loans repayable in monthly installments of $10,558, interest at 5.65%. Due July 2002.		-		385,923
	$	**1,620,000**	**$**	**2,005,923**
Less: Current portion of long-term debt		-		109,567
	$	**1,620,000**	**$**	**1,896,356**

Estimated aggregate repayments of long-term debt are as follows:

		2000		1999
2000	$	-	$	109,567
2001		-		114,004
2002		-		120,615
2003		-		41,737
2004		1,620,000		1,620,000
	$	**1,620,000**	**$**	**2,005,923**

In relation to the Aurora Fund loan, the Corporation is required to make monthly payments into a sinking fund held by a trustee, the Pacific & Western Group of Companies, for the redemption of long-term debt. The required monthly payment is $27,000 less interest of 6.00% earned on the outstanding monthly balance. At the end of the five year term the sinking fund will be used to repay the full amount of the loan.

		2000		1999
Sinking Fund Balance	$	**378,000**	$	**54,000**

11. Consolidated Statement of Cash Flow - Summaries

(a) Changes in Non-cash Operating Working Capital

	2000	1999
Accounts receivable	$ 14,404	$ (327,925)
Dividends receivable	(4,656)	26,213
Due from - GNWT	-	329,000
Inventory	980,614	(548,832)
Deposits and prepaid expenses	30,039	(13,958)
Accounts payable and accrued liabilities	(117,718)	(140,785)
Provision for site restoration	(6,275)	400,000
	$ 896,408	**$ (276,287)**

(b) Contribution From GNWT

Capital funds	$ 43,817	$ 492,052
Venture funds	21,245	717,200
Less use of deferred subsidy	-	(23,000)
	$ 65,062	**$ 1,186,252**

12. Commitments and Contingencies

Lease Obligations

The Corporation is committed to operating leases for rental of office space and equipment at the future minimum payments as set out below:

	2000	1999
2001	140,589	99,989
2002	145,739	101,139
2003	133,226	94,126
2004	127,726	203,940
2005 and thereafter	127,726	-
	$ 675,006	**$ 499,194**

13. Related Party Transactions

The Corporation is a Territorial Crown corporation and is related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business at normal trade terms.

Transactions with related parties and balances at year end, not disclosed elsewhere in the financial statements, are as follows:

	2000	1999
Revenues		
Sales	$ 55,112	$ 150,334
Expenses		
Purchases	$ 466,172	$ 521,108
Balances at year end		
Accounts Receivable	$ 21,022	$ 23,456
Accounts Payable	$ 549,773	$ 484,144

14. Significant Events

(a) Division

On April 1, 1999 the *Nunavut Act* came into force.

The creation of Nunavut required the transfer of Government assets and liabilities. On March 29, 1999 an agreement between the Government of the Northwest Territories and the Interim Commisioner of Nunavut, set out an approach for the division of assets, liabilities and surplus/deficit of the Government, including the Northwest Territories Development Corporation. The approach as applied to the Corporation was as follows:

(i). Allocate the capital assets and the related liabilities of the subsidiaries and venture investments on an as is, where is, basis. Adjust equity for the net amount allocated.

(ii). Apportion the remaining equity using the agreed upon ratio of 55.66% to the NWT Development Corporation and 44.34% to the Nunavut Development Corporation.

(iii). Allocate the remaining assets and liabilities on a basis that the two Corporations and Governments agree to be practical, trying to use a geographic basis where possible.

(iv). Adjust any difference, between the value of the assets and liabilities allocated and the equity apportioned, on a basis that the two Corporations and Governments agree to be practical.

The following subsidiaries were transferred to the Nunavut Development Corporation:

933261 N.W.T. Ltd. (o/a Whale Cove)	Whale Cove, NT
Ivalu Ltd.	Rankin Inlet, NT
Jessie Oonark Ltd.	Baker Lake, NT
Keewatin Meat & Fish Ltd.	Rankin Inlet, NT
Kiluk Ltd.	Arviat, NT
Kitikmeot Foods Ltd.	Cambridge Bay, NT
Pangnirtung Fisheries Ltd.	Pangnirtung, NT
Taluq Designs Ltd.	Taloyoak, NT
Uqqurmiut Arts & Crafts (1993) Ltd.	Pangnirtung, NT

The following venture investments were transferred to the Nunavut Development Corporation:

933273 N.W.T. Ltd. (o/a West Baffin Co-op)
Uqqurmiut Inuit Artists Association Ltd.

The transfer of these subsidiaries and venture investments resulted in lower reporting figures for the consolidated financial statements.

14. Significant Events (continued)

(b) Great Slave Lake Forest Products Ltd.

On May 1, 2000, the Board of Directors of Great Slave Lake Forest Products approved a divestment plan for the company. The company has ceased operations and all remaining and fully amortized assets on hand as at March 31, 2000 were sold by tender subsequent to the year end for total proceeds of $140,537 plus GST.

During the year an engineering firm was retained by the Northwest Territories Development Corporation to undertake an environmental site assesment of the Great Slave Lake Forest Products Ltd. sawmill site in Fort Resolution, NT. The assesment consists of several phases, the first of which was completed in February, 2000. Although information obtained for this report indicated no immediate environmental risk based on current standards, concern related to lead paints, PCB ballasts and any other form of ground contamination will not be determined until the next phase is completed during the fall. Until all phases of the study are completed it is not possible to determine whether the remaining Site Restoration Accrual of $393,725 is sufficient to cover any required restoration costs.

Great Slave Lake Forest Products Ltd. contributed $ 769,812 in revenue during the reporting period.

15. Segmented Information

	Arctic Canada Trading Co.	Acho-Dene Crafts	Aklavik & Tuk Furs	Dene Creations	Ft. McPherson Tents	GSLFP	Musk-ox Leather	Nahanni-Butte General	Rae Lakes General	**2000 Total**
Sales	$ 411,433	$ 165,556	$ 60,384	$ -	$ 366,213	$ 769,812	$ -	$ 416,116	$ 1,058,765	**$ 3,248,279**
Net profit (loss) before subsidy	$ (506,004)	$ (84,298)	$ (220,072)	$ (62,961)	$ (234,784)	$ 146,904	$ (9,318)	$ (104,139)	$ 61,177	**$ (1,013,495)**
Subsidy	$ 420,000	$ 10,000	$ -	$ -	$ 160,000	$ -	$ -	$ 20,000	$ -	**$ 610,000**
Profit (loss) after Subsidy	$ (86,004)	$ (74,298)	$ (220,072)	$ (62,961)	$ (74,784)	$ 146,904	$ (9,318)	$ (84,139)	$ 61,177	**$ (403,495)**
Deficit March 31,2000	$ (515,321)	$ (727,781)	$ (852,311)	$ 63,438	$ (1,330,127)	$ (2,276,119)	$ (9,423)	$ (900,123)	$ (216,359)	**$ (6,764,126)**

Inter-segment sales are accounted for at prices comparable to open market prices for similar products and services.

Northwest Territories Development Corporation

Schedule - Consolidated Selling and Administrative Expenses

For the year ended March 31,	2000	1999
Salaries and wages	$ 1,695,343	$ 3,357,546
Office and general	169,717	402,217
Bank charges and interest	226,755	156,502
Rent	186,060	444,104
Utilities	156,429	444,701
Travel	208,733	419,457
Advertising and promotion	59,608	341,546
Bad debts	29,190	42,392
Board members	101,543	80,139
Professonal fees	306,913	174,036
Telephone	74,584	161,954
Workshops	5,107	271,311
	$ 3,219,982	**$ 6,295,905**

Government of the Northwest Territories

Department of Public Works and Services

Granular Program Revolving Fund

Financial Statements

for the year ended
March 31, 2000

(unaudited)

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GOVERNMENT OF THE NORTHWEST TERRITORIES

Granular Program Revolving Fund

Balance Sheet
as at March 31, 2000

ASSETS	2000	1999
Current		
Accounts receivable		
Government of the Northwest Territories departments	$ 4,059	$ 0
Northwest Territories Housing Corporation	0	1,815
Commercial enterprises	31,610	0
Municipalities	0	209
Individuals	62	1,012
	35,731	3,036
Prepaid expenses	0	0
	35,731	3,036
Fixed Assets	425,533	425,533
Screeners	425,533	236,417
Less: Accumulated Depreciation (Note 1)		
	0	189,116
Granular Inventories (Note 2)	504,183	4,743,316
	$539,914	**$ 4,935,468**
LIABILITIES		
Current		
Accounts payable accrued liabilities	0	0
Holdback payable	0	0
	0	0
Long-term		
Retained earnings	0	0
Due to the Government of the Northwest Territories	539,914	4,935,468
	539,914	4,935,468
	$ 539,914	**$ 4,935,468**

Approved by Management:

Sue Bevington
Director, Corporate Services

D. Bruce Rattray
Deputy Minister

GOVERNMENT OF THE NORTHWEST TERRITORIES

Granular Program Revolving Fund

Income Statement
for the year ended March 31, 2000

	2000	1999
Sales		
Government of the Northwest Territories departments	$56,455	$188,194
Northwest Territories Housing Corporation	0	0
Commercial enterprises	37,027	15,425
Municipalities	0	18,570
Individuals	0	888
	93,482	223,077
Opening inventory	4,743,316	6,164,215
Operating costs		
Depreciation of screeners	189,116	20,940
Surveys	0	0
Rental of equipment	0	0
Duty travel - Investigations & surveys/Production costs	0	0
Production costs	0	0
	189,116	20,940
Cost of Goods Available for Sale	4,932,432	6,185,155
Less inventory revaluation (Note 3)	684,741	323,276
Less inventory writedown/write-off (Note 4)	0	895,486
Less inventory transferred to Government of Nunavut (Note 5)	3,650,026	0
Less closing inventory	504,183	4,743,316
Cost of goods sold	93,482	223,077
Net operating profit (loss)	$ -	$ -

GOVERNMENT OF THE NORTHWEST TERRITORIES

Granular Program Revolving Fund

Notes to Financial Statements
March 31, 2000

Significant accounting policies

1 Fixed assets (screeners) are expensed in the year of acquisition.

2 Inventories are valued at market value less sales, which is assumed to equal net realizable value.

3 Inventory Revaluation to bring cost of gravel to market value.

4 Inventory writedown/write-off as per FMB Record of Decision FB-98-25-11 (a) approving the write down of the existing inventory of the Community Granular Program in the $ value of 657,716, and the write-off of $237,770, for some of the Western Arctic Stockpiles.

5 Inventory transferred to Nunavut Government

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Government of the Northwest Territories

Department of Education, Culture and Employment

Student Loan Revolving Fund

for the year ended
March 31, 2000

(unaudited)

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GOVERNMENT OF THE NORTHWEST TERRITORIES

Student Loan Revolving Fund for the year ending March 31, 2000

STATEMENT OF OPERATIONS

	2000	1999
	(thousands of dollars)	
Loans receivable, opening balance	$ 20,699	$ 19,847
Less : Transferred to Nunavut	(2,402)	0
Add : Loans granted during the year	3,806	3,910
Reversal of previous loan remissions	0	3
	22,103	23,760
Less: Principal amount of loans repaid	1,392	1,438
Principal amount of loans written off	63	98
Principal amount of loan remissions	670	1,525
Loans receivable, closing balance	19,978	20,699
Less: Estimated provision for remission and written off accounts	11,750	11,617
Net loans receivable, closing balance	**$ 8,228**	**$ 9,082**

Effect of Student Loan Revolving Fund on Government Operations

	2000	1999
Interest earned and credited to general revenues	313	365
Less: Financial Collection Agency fees	24	12
Estimated provision for remission and written off accounts	2,214	2,257
Operating deficiency for the year	**$(1,925)**	**$(1,904)**

(1) During the fiscal year the allowance for remission and written off accounts was increased by $2,214,000 (1998-99 - $2,257,000). These allowances represent estimated accrued expenses charged against the Consolidated Revenue Fund. These expenses represent loans that are unlikely to be collected, or loans which qualify for remission.

(2) During the fiscal year, loans totalling $63,165 (1998-99 - $98,068) were written off due to uncollectability, $670,133 (1998-99 - $1,524,914) were remitted, and $63,061 (1998-99 - $35,903) were funds collected by the FCA.

(3) No costs for administration of the Student Loan Fund are included.

APPROVED:

Mark Cleveland
Deputy Minister
Department of Education, Culture and Employment

Paul Devitt
Director, Financial & Mgmt. Services
Department of Education, Culture and Employment

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Government of the Northwest Territories

Department of Resources, Wildlife and Economic Development

Fur Marketing Service Revolving Fund

for the year ended
March 31, 2000

(unaudited)

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GOVERNMENT OF THE NORTHWEST TERRITORIES

Fur Marketing Service Revolving Fund
March 31, 2000

	2000
Receivable balance, beginning of the year	$ 651,248
Add: Advances to Trappers	925,330
Less: Receipts of Fur Account Loans	955,129
Closing Accounts Receivable (Note 1 and 2)	**$ 621,449**

Purpose :

To provide working capital for the operations of a fur receivable system. Trappers receive interest free advances on fur sent to southern auction houses. More than 2,000 trappers take advantage of this program.

The authorized limit of the fund is $900,000 (1999 - $900,000).

Notes :

1. Some fur remains unsold at auction for extended periods. The spring sale proceeds which are received after fiscal year end pay off most of the remaining advances from the season's trapping.
2. Direct recovery from individuals is necessary if the fur sells for less than the advance amount.

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Government of the Northwest Territories

Department of Resources, Wildlife and
Economic Development

Reforestation Special Purpose Fund

for the year ended
March 31, 2000

(unaudited)

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GOVERNMENT OF THE NORTHWEST TERRITORIES

Reforestation Special Purpose Fund
March 31, 2000

		2000	1999
Receivable balance, beginning of the year		$ 500,770	$ 908,863
Add:	1999-2000 Revenues	509,824	0
	1999-2000 Accrued Fees	325,000	0
	1998-99 Revenues	0	385,452
	1998-99 Accrued Fees	0	443,000
	1996-97 Additional Expenditure	0	(8,859)
	1998-99 Reversal of Expenditure	0	6,554
	1998-99 Additional Revenue from Consolidated Revenue	0	34,373
Less:	1999-2000 Expenditures	783,845	0
	Reversal of Prior Year Accrued Fees	443,000	0
	1998/99 Expenditures	0	604,342
	Reversal of Prior Year Accrued Fee	0	664,271
Accumulated Surplus as at March 31, 2000		**$ 108,749**	**$ 500,770**

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Government of the Northwest Territories

Department of Public Works and Services

Public Stores Revolving Fund Inventories

for the year ended
March 31, 2000

(unaudited)

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GOVERNMENT OF THE NORTHWEST TERRITORIES

Schedule of Public Stores Revolving Fund Inventories for the year ended March 31, 2000

Public Stores	Balance March 31, 1999	Net Receipts	Net Issues	Board of Survey	Inventory (Write-downs) Write-ups	Balance March 31, 2000
Yellowknife	$ 163,440	$ 192,227	$ 200,175	$ -	$ -	$ 155,492

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